

State of Iowa

Dental Benefits Program

Request for Proposals
(005-SOI-D)



Issued by:

The State of Iowa

March 26, 2010

State of Iowa
Request for Proposals
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(See <http://das.hre.iowa.gov/index.html>)

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SECTION 1. INTRODUCTION AND BACKGROUND

Information regarding the State's benefit programs is also available on the State's web site: <http://benefits.iowa.gov/>.

1.1 Introduction

The State of Iowa, Department of Administrative Services, is soliciting proposals for the insurance and administration of its employee dental benefit plan, with a January 1, 2011 effective date. The State of Iowa dental plan is currently available to approximately 35,000 active and retired employees in the Executive, Legislative, and Judicial branches. The primary reasons for this solicitation are to assess changes in the marketplace, ensure financial competitiveness, and to comply with State contract term and procurement requirements.

Proposals are required for a minimum premium arrangement and must include a statewide dental network with required access. Proposers may also provide a self insured arrangement option. Additional alternative funding arrangement proposals may also be submitted. Currently Delta Dental of Iowa insures the plan under a maximum liability arrangement.

1.2 Current Dental Insurance Plans

The State of Iowa employee dental plans are currently administered by Delta Dental under a maximum liability arrangement. This contract has been in place since January 1, 2005 and was the result of an RFP. The contract is once again open for solicitation as the maximum contract period will expire prior to the 2011 plan year.

1.2.1 Eligibility

The current dental plan is available to approximately 35,000 active and retired State employees in the Executive, Legislative, and Judicial branches. Not eligible for the plan are temporary employees, permanent part-time employees working less than 20 hours per week and Regents supervisory, professional, and scientific employees.

Of the approximately 28,000 active dental contracts (40 % single and 60% family), approximately 23,000 are covered by collective bargaining agreements.

1.2.2 Experience-Rated Units

There are sixteen experience reporting units within the State's Dental Program, as listed below. There are also four relevant union contracts: American Federation of State, County, and Municipal Covered Employees (AFSCME) for both the Executive and Judicial Branch employees, Public Professional & Maintenance Employees (PPME), and United Electrical/Iowa United Professionals (UE/IUP) and non-contract employees. Separate premium and claim accounts must be maintained for each unit and union class.

- Central Payroll
- Department of Transportation
- Fair Board
- University of Iowa
- University of Northern Iowa
- Iowa State University
- Iowa School of the Blind
- Iowa School for the Deaf
- Corrections Districts:
 - Waterloo Corrections District
 - Ames Corrections District
 - Sioux City Corrections District
 - Council Bluffs Corrections District
 - Des Moines Corrections District
 - Cedar Rapids Corrections District
 - Davenport Corrections District
 - Fairfield Corrections District

SECTION 1. INTRODUCTION AND BACKGROUND

1.2.3 Current Dental Plan Designs

The State offers one comprehensive dental plan option for employees.

Delta Premier	Deductible	Coinsurance	Maximum per Calendar Year	Lifetime Maximum
Benefit Categories	None	--	\$1,500	--
Check Ups and Teeth Cleaning	--	0%	Yes	--
Cavity Repair and Tooth Extractions	--	20%	Yes	--
Roots Canals	--	50%	Yes	--
Gum and Bone Diseases	--	50%	Yes	--
High Cost Restorations	--	50%	Yes	--
Bridges and Dentures	--	50%	Yes	--
Orthodontics *	--	50%	NA	\$1,500

*Orthodontic coverage is only available for unmarried dependents under age 19.

The reimbursement schedule provided above shows the participant coverage amount, based on payment at 100% of UCR, for participating dentist. Individuals are responsible for all costs incurred by a non-participating dentist.

1.2.4 Funding

The current contract with Delta Dental is a modified minimum premium arrangement under which the State of Iowa holds the Incurred but Not Reported (IBNR) run-out liability. Under the current contract, upon contract termination, Delta Dental is responsible for any cumulative deficit while the State of Iowa receives any surplus. The State pays claims as they are paid to providers on a weekly basis subject to the cumulative maximum liability.

SECTION 1. INTRODUCTION AND BACKGROUND

1.2.5 History of Rates and Employee Contributions

Plan Year	Contract Type	Dental Plan	
		Total	EE Share
2010	Single	\$26.92	\$0.00
	Family	\$72.16	\$36.08
2009	Single	\$26.14	\$0.00
	Family	\$70.06	\$35.02
2008	Single	\$25.38	\$0.00
	Family	\$68.02	\$34.00
2007	Single	\$24.69	\$0.00
	Family	\$66.17	\$33.08
2006	Single	\$23.20	\$0.00
	Family	\$62.20	\$31.10
2005	Single	\$24.55	\$0.00
	Family	\$65.78	\$32.88

Under the State's Plan, the State of Iowa contributes 100% of the premium cost for single coverage and 50% of the premium cost for family coverage for all but 1,600 UE/IUP contracts which receive only the State's single contribution.

SECTION 2: ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS

2.1 RFP Coordinator

The RFP Coordinator, identified below, is the sole point of contact regarding the RFP from the date of issuance until selection of the successful bidder. Deloitte, the State's employee benefits consultant, will assist in the RFP process.

Ed Holland
Risk & Benefits Management Administrator
State of Iowa
Grimes State Office Building
East 14th and Grand Avenue
Des Moines, Iowa 50319-0150
ed.holland@iowa.gov
FAX (515) 281-5102

2.2 Restriction on Communication

From the date of issuance of this RFP until announcement of the successful bidder, bidders may contact only the RFP Coordinator. The RFP Coordinator will respond only to written questions (including e-mail) regarding the procurement process. Questions related to the interpretation of this RFP must be submitted in writing to the RFP Coordinator in accordance with the timeline set forth in this RFP. In the event that a bidder or someone acting on the bidder's behalf attempts to discuss the RFP orally or in writing, with any other employee of the State of Iowa, the bidder may be disqualified. Bidders may continue to communicate with State staff regarding other business matters relative to State business.

2.3 Procurement Timetable

The dates set forth below are for informational purposes only. DAS reserves the right to change the dates.

Action	Date
Invitation to Bid Issued	March 26, 2010
Deadline for Receipt of Bidder Questions	April 9, 2010
State Issues Response To Bidder Questions	April 16, 2010
Bid Receipt Deadline	May 28, 2010 4:00 p.m. Central
Bids Evaluated and Scored	June 25, 2010
Negotiations and Possible Vendor Interviews	Week July 10, 2010
Executive Committee	September, 2010
Annual Enrollment period begins	October 2010
Plan year begins and service agreement finalized	January 1, 2010

2.4 Submission of, and Responses to, Written Questions

All inquiries, including any questions related to the terms and conditions of this RFP, should be made in writing and submitted to the RFP Coordinator at the address noted. Oral inquiries will not

SECTION 2: ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS

be accepted. The RFP Coordinator must receive all inquiries in writing no later 4:00 p.m. central time on the due date noted in Section 2.3 above. DAS's responses to questions will not identify the submitter and will be posted to the Department's web site at <http://das.hre.iowa.gov/index.html> on or before the due date noted in Section 2.3 above.

2.5 Amendment to the Request for Proposal

DAS reserves the right to amend the RFP at any time. In the event it becomes necessary to amend, add to, or delete any part of the RFP, an amendment will be provided to all bidders who requested the original RFP, and will be posted on the DAS web page at <http://das.hre.iowa.gov/index.html>. A bidder's response must include acknowledgement of the amendment.

2.6 Submission of Proposals

The proposal submitted by your company will constitute your company's unqualified consent to all of the procedures below.

2.6.1. The proposal submitted in response to this invitation will be considered the only submission after the due date. Revised proposals will not be permitted after proposals are opened, unless DAS requests additional or clarifying information. However, prior to the proposal due date, a submitted proposal may be withdrawn by submitting a written request for its withdrawal to the RFP coordinator and signed by the bidder. Once a proposal is opened, it will be considered a firm and binding proposal, and may not be withdrawn from consideration.

2.6.2. Proposals facsimiled or electronically mailed will not be accepted. It is the bidder's responsibility to ensure that the proposal has been received by the deadline. Post marking by the due date will not substitute for actual receipt.

2.6.3. In all cases, no verbal communication shall override written communication from DAS of Iowa or the RFP Coordinator. No one is authorized to amend the specifications in any respect by any oral statement or to make any oral representation or interpretation in conflict with the provisions of the specifications.

2.6.4. Bidder representatives shall not contact any State official or staff member, other than the RFP Coordinator, to explain, amplify, or discuss submitted proposals. All such communications shall be with the RFP Coordinator. For violation of this provision, DAS shall reserve the right to reject the proposal by that bidder. Bidders may continue to communicate with State staff regarding other business matters relative to State business.

2.6.5. Proposals are to be prepared assuming an effective date of January 1, 2011.

2.6.6. Sealed proposals must be clearly identified on the envelope as outlined below and submitted to the RFP Coordinator no later than 4:00 p.m. central time on the due date noted in Section 2.3 above. Late proposals will be shredded.

The proposals are to be in two parts. One part is to be a sealed "**Dental Benefit Plan - Technical Proposal**". (Note: All vendors must complete and include the attached *Proposal Checklist* with the Technical Proposal to verify that all RFP submission requirements have been met). The second part is to be a sealed "**Dental Benefit Plan - Cost Proposal**". The Cost Proposal should be provided only to Deloitte and will be

SECTION 2: ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS

evaluated if all of the mandatory requirements are met by the bidder in the technical proposal.

Required fee quotation formats are provided electronically and in the Cost Proposal section of this document. Vendors are required to complete the forms as provided in this solicitation. Proposals are requested for both a minimum premium/maximum liability and a self funded arrangement option. Any administrative, travel, or educational expenses are to be included in the proposal. DAS will not compensate the bidder in any way for this program.

One (1) original and seven (6) copies of the **Dental Benefit Plan - Technical Proposal** must be submitted to:

Ed Holland
Risk & Benefits Management Administrator
State of Iowa
Grimes State Office Building
East 14th and Grand Avenue
Des Moines, Iowa 50319-0150

One (1) paper copy of the **Dental Benefit Plan - Technical Proposal** and the **Dental Benefit Plan – Cost Proposal** as well as one (1) full electronic file copy must be submitted to:

Jill Korsh
Deloitte Consulting
50 South Sixth Street
Suite 2800
Minneapolis, MN 55402-1538
jkorsh@deloitte.com

2.7 Costs of Preparing the Proposal

Costs incurred for developing a proposal are the sole responsibility of the bidder. There will **not** be any reimbursement for these costs. If DAS should determine that bidder interviews are necessary, any costs associated with oral presentations to DAS will be the responsibility of the bidder and will in no way be billable to DAS.

2.8 Right to Negotiate with Finalists

DAS reserves the right to negotiate modifications to any of the requirement of this RFP or the proposed contract with the successful bidder(s).

2.9 Waiver of Deficiencies & Nonmaterial Variations

DAS reserves the right to waive or permit cure of nonmaterial variances in a proposal provided, however, such waiver will be based on the best interests of the plans and their participants. Nonmaterial variances include minor informalities that do not affect responsiveness, variances that are merely a matter of form or format, variances that do not change the relative standing of other bidders, variances that do not prejudice other bidders, variances that do not change the meaning or scope of the RFP, or variances that do not reflect a material change in the services.

SECTION 2: ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS

Failure to provide any mandatory requirements or information shall not be considered a nonmaterial variation that DAS can waive or permit cure. In the event DAS waives or permits cure of nonmaterial variances, such a waiver or cure will not modify the RFP requirements or excuse the bidder from full compliance with RFP specifications or other contract requirements if the bidder is awarded the contract. The determination of whether a particular matter constitutes a material or nonmaterial variation from the RFP is within the sole discretion of DAS.

2.10 Rejection of Proposals

At any time prior to the execution of the written contract, DAS reserves the right to reject any or all bids at its discretion in whole or in part, to amend and reissue this RFP, to advertise for new proposals, to abandon the need for such services, and to cancel this RFP if it deems such actions to be in the best interests of DAS. A proposal will be rejected outright and not evaluated if a bidder fails to deliver its proposal by 4:00 p.m. central time, on the due date.

2.11 Copyrights

By submitting a proposal, the bidder agrees that DAS may copy the proposal for purposes of facilitating the evaluation of the proposal or to respond to requests for public records. By submitting a proposal, the bidder consents to such copying and warrants and represents that such copying will not violate the rights of any third party. DAS will have the right to use ideas or adaptations of ideas that are presented in the proposals.

2.12 Public Records and Requests for Confidentiality

2.12.1. All information submitted by a bidder may be treated as a public record by DAS unless the bidder properly requests that information be treated as confidential information at the time its proposal is submitted. The laws of the State of Iowa require that at the conclusion of the selection process, the contents of all proposals be placed in the public domain and be open to inspection by interested parties pursuant to Iowa Code chapter 22.

2.12.2. Any request for confidential treatment of information must be included in the transmittal letter with the bidder's proposal. In any such request, the bidder must enumerate the specific grounds under Iowa Code chapter 22 that support the treatment of materials as confidential and must also explain why disclosure of the information is not in the best interest of the public.

2.12.3. Any documents submitted which contain confidential information must be marked on the outside as containing confidential information, and each page upon which confidential information appears must be marked as containing confidential information. The confidential information must be clearly identified to the reader where it appears. All copies of the proposal submitted, as well as the original, must be marked in this manner. Identification of the entire proposal as confidential shall be deemed non-responsive and shall disqualify the bidder.

2.12.4. The information marked confidential shall be treated as confidential information to the extent such information is determined to be confidential under Iowa Code chapter 22 or other provisions by a court of competent jurisdiction.

SECTION 2: ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS

2.12.5. In the event DAS receives a request for information marked confidential, written notice shall be given to the bidder prior to the release of the information to allow the bidder to seek injunctive relief pursuant to Iowa Code section 22.8.

2.12.6. A bidder's failure to request confidential treatment of material pursuant to this section and the relevant laws will be deemed by DAS as a waiver of any right to confidentiality that a bidder may have had.

2.13 Proposals Property of the State

All proposals become the property of DAS and will not be returned to the bidder.

2.14 Construction of RFP and Laws and Rules

This RFP is to be construed in light of pertinent legal requirements. Changes in applicable laws and rules may affect the award process or the resulting contract. Bidders are responsible for ascertaining pertinent legal requirements and restrictions.

2.15 Release of Claims

By submitting a proposal, each bidder agrees that it will not bring any claim or have any cause of action against the State of Iowa based on any misunderstanding concerning the information provided in this RFP or concerning the State's failure, negligence or otherwise to provide the bidder with pertinent information as intended by this RFP.

2.16 Proposals Duration

Any submitted proposal shall remain a firm, valid proposal for twelve (12) months after the proposal due date.

2.17 Gratuities

Iowa law provides that it is a felony to offer, promise or give anything of value or benefit to a State employee with the intent to influence that employee's acts, opinion, judgment or exercise of discretion with respect to that employee's duties.

SECTION 3: GENERAL TERMS AND CONDITIONS OF THE CONTRACT

DAS will require all successful bidders to sign a contract setting forth the rights and responsibilities of the parties. DAS reserves the right to award a contract without further negotiation with the successful bidder(s) or to negotiate contract terms with the selected bidder if the best interests of the plans and their participants would be served.

Attached to and made part of this RFP is the State of Iowa's standard contract applicable to this RFP (RFP Attachment 2). Inclusion of the contract in no way represents an offer to contract.

Proposals must include, as Proposal Attachment 2, a redlined (deletions shown with strikeouts, additions shown with underlining) copy of the attached standard contract showing any and all change(s) that the bidder would propose to make. Any deviations to the requested services or contract terms should be clearly noted in the Deviations Worksheet, Proposal Attachment 3. See RFP Attachment 3 for sample Worksheet. Any contract language that is not modified with redlining shall be deemed to indicate that the bidder is willing to agree to that contract language as written. The number, nature and extent of requested contract revisions in each bidder's proposal will be an evaluation factor. Objections or responses that materially alter the RFP shall be deemed non-responsive and shall disqualify the bidder.

SECTION 4: SERVICE REQUIREMENTS AND MINIMUM QUALIFICATIONS

4.1 Description of Desired Services

The State of Iowa is soliciting proposals from qualified companies to provide a statewide dental network and administer the dental benefit program for State of Iowa employees effective January 1, 2011. Vendor shall provide administrative services for the Dental Benefit Program for eligible employees of the executive, legislative, and judicial branches of Iowa state government. Vendor will also be expected to provide written communications, benefits summaries and other services. The selected bidder will also be expected to project costs for collective bargaining and proposed legislation, as well as assume fiduciary responsibilities for the plan. Proposals are required for a minimum premium arrangement and proposers may also provide a self insured arrangement option. Additional alternative funding arrangement proposals may be submitted.

4.1.1 .Desired Plan Designs. The desired plan design is the same as the current dental plan design as changes are determined by collective bargaining. Vendors should review the Dental Benefits Summary and the electronic benefit certificates provided at the State's web site: http://benefits.iowa.gov/benefit_documents/dental_certificate.pdf and as described in Section 1.2.3 in this RFP.

4.1.2 .Desired Funding Arrangement. For 2011, the State is exploring self-funding the employee dental program. The following parameters may be included in any resulting contract and should be included in your cost proposal assumptions. Any deviations must be clearly noted.

The following parameters are required and must be included in both your proposal and the proposed contract. Any and all deviations must be clearly noted in Attachment 2.

Minimum Premium – Required Proposal

- The State will pay claims as they are paid to providers, based on advice of draft needed, subject to the cumulative liability.
- The State of Iowa will hold the IBNR and responsibility for the claims paid and administrative fees up to the Cumulative Maximum and Terminal Liability limits.
- The vendor will limit the State's responsibility for the terminal liability, or maximum IBNR.
- Terminal Liability Rates may be adjusted for projected deficits. Projected deficits will be based on any deficits at the time of renewal, projected to the end of the calendar year.
- For Section 8.1 Cost Proposal Exhibits, the State requests a minimum premium rate proposal based on a 100% attachment point. In addition to this, the State will also consider optional attachment points, with associated risk charges.
- Accumulated deficits are the responsibility of the vendor and the State will collect any surpluses upon contract termination.
- Annual administrative fee renewals will be capped at the lesser of 3% or the increase, if any, in the Consumer Price Index for Midwest Urban Consumers from December 31 to December 31 (or an alternate proposed CPI factor).
- Following termination, the Terminal Liability Rates are the upper limit of the State's liability for claims, administrative fees, and unrecovered deficits.
- Renewal trend calculation – The overall renewal trend will be comprised of the State of Iowa actual utilization trend and the vendor's book of business cost trend.

SECTION 4: SERVICE REQUIREMENTS AND MINIMUM QUALIFICATIONS

Self Funding - Optional Proposal (minimum premium proposal must be completed in order for the self-funded proposal to be considered)

- The vendor must guarantee the administration fees for both 2011 and 2012.
- Annual administrative fee increases will be capped at the lesser of 3% or the increase, if any, in the Consumer Price Index for Midwest Urban Consumers from December 31 to December 31 (or an alternate proposed CPI factor).
- 125% aggregate stop-loss level.
- The Vendor and the State will agree upon annual claims targets. Claims 5% or more in excess of this target will result in a vendor penalty. This penalty will be in the form of an administrative fee reduction.
- Annual administrative fee increases will be capped at the lesser of 3% or the increase, if any, in the Consumer Price Index for Midwest Urban Consumers from December 31 to December 31 (or an alternate proposed CPI factor).
- Attachment 11 of this RFP provides a sample of the renewal template that will be required annually. This is for illustration purposes and does not need to be completed for this RFP.

4.1.3 .Employee Contributions. Again for 2011, under the State's Plan, the State of Iowa contributes 100% of the premium cost for single coverage and 50% of the premium cost for family coverage for all but 1,600 UE/IUP contracts which receive only the State's single contribution.

4.2 Telephone Services

The Contractor shall maintain a toll-free telephone number to respond to Participant inquiries as well as a toll-free TDD line for hearing impaired Participants. Upon proper identification, the Contractor shall, to the extent possible, answer inquiries over the telephone. The Contractor shall also provide an interactive voice response toll-free telephone system, which will enable Participants to obtain current, personalized information as well as general information concerning the Plan.

4.3 Minimum Bidder Qualifications

The following criteria must be met in order to be considered a full response to this RFP:

- Ability to provide a statewide dental network.
- Ability to administer the State's plan design.
- Adherence to RFP timelines and requirements.
- Demonstrated organizational financial stability.
- Experience serving large public sector clients and union groups.
- Satisfactory references must be provided with the RFP submission.

4.4 Minimum Proposal Qualifications

4.4.1 Signature of Officer Binding the Bidder. The offer made by the proposal, and any clarifications to that proposal, shall be signed by an officer of the proposing bidder empowered to bind the bidder in a contract.

SECTION 4: SERVICE REQUIREMENTS AND MINIMUM QUALIFICATIONS

4.4.2 Acceptance of Terms and Conditions. Each bidder shall specifically stipulate that the proposal is predicated upon the acceptance of all terms and conditions stated in the RFP, and all attachments. If the bidder objects to any term or condition, it shall make specific reference to the RFP page and section number(s) at issue. Objections or responses that materially alter the RFP shall be deemed non-responsive and shall disqualify the bidder.

4.5 Minimum Experience

The bidder must have current experience providing similar dental benefit plan administration to large employers. Current public sector, union group, or Iowa-specific experience is preferred.

4.6 Errors and Omissions Insurance

Each bidder must either provide a copy of a certificate of insurance (not a statement or policy number) showing errors and omissions coverage with a minimum limit of \$1,000,000 per occurrence; or demonstrate that the bidder has alternative mechanisms, either through self-funding or another mechanism, to indemnify the State from such errors and omissions with a minimum limit of \$1,000,000 per occurrence (e.g., a letter from an officer of the company confirming adequate protection).

If this requirement is met through the maintenance of "errors and omissions insurance", all certificates shall contain the following certification and cancellation terms in the same or substantially similar form:

"I hereby certify that I am an authorized representative of each of the insurance companies listed above, and the coverage afforded under the policies listed above will not be cancelled, materially changed, or allowed to expire unless sixty (60) days written notice has been received by the State of Iowa".

Name of Issuing Agency

Signature of Authorized Representative

Address of Issuing Agency

Date of Issue of E&O Insurance _____

Note: This is a minimum requirement and must be provided with the RFP submission to be considered further.

4.7 Iowa Registration

The bidder must be qualified to do business in the State of Iowa and must be registered with the appropriate state authorities.

SECTION 5: FORMAT AND CONTENT OF PROPOSAL

These instructions prescribe the format and content of the proposal and are designed to facilitate the submission of a proposal that is easy to understand and evaluate. Failure to adhere to the proposal format shall result in the disqualification of the proposal.

5.1 Instructions

- All proposals should be prepared simply and economically providing a direct, concise delineation of the bidder's proposal and qualifications. Proposals must meet the criteria set forth in this Section. A proposal checklist has been provided and must accompany submissions.
- Proposals should be typed or printed on 8.5" x 11" paper (one side only).
- All pages of proposals must have consecutive page numbers.
- The bidder must also submit one electronic copy of the proposal from which confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material and to retain as much of the proposal as possible.
- Proposals must respond to RFP requirements and questions by restating the number and text of the requirement in sequence and writing the response immediately after the restated requirement.
- No commissions will be payable.
- All fees are to be guaranteed for 1 year; guarantees beyond this time frame will be viewed favorably.
- Any reinsurance agreements or joint administration arrangements must be described in detail in your proposal and will be subject to approval by the State.
- Proposers must comply with the minimum performance objectives outlined in this RFP.

5.2 Table of Contents

All proposals must include a table of contents and appropriate page number references.

5.3 Transmittal Letter

A transmittal letter is required. The transmittal letter shall be signed by an individual authorized to legally bind the bidder. The letter shall include the bidder's mailing address, telephone number, fax number, and email address. The transmittal letter must include an acknowledgement of the chart of the minimum qualifications, a sample of which may be found in RFP Attachment 1

A request for confidential treatment of information shall be included in the transmittal. Any request for confidential treatment must comply with all requirements for such requests as by Section 2 of the RFP. The absence of a request for confidential treatment shall be construed to mean that no portion of the proposal is requested by the bidder to be kept confidential.

SECTION 5: FORMAT AND CONTENT OF PROPOSAL

5.4 Proposal Certification

Each bidder will sign and submit as Proposal Attachment 4 a certification stating that the contents of the proposal are true and accurate. The substance and form of the proposal certification is included in RFP Attachment 4. The proposal certification must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder. Failure to provide the certification required by this Section may result in the rejection of the proposal as noncompliant.

5.5 Contents of Proposal

The proposal submitted must respond to each section of the RFP. Specifically, the proposal must respond to each section of the RFP by restating the number and text of the requirement in sequence and writing the response immediately after the restated requirement indicating, where appropriate, that bidder has read, understands and will comply with the section or provide the required narrative response.

5.6 Certification of Independence and No Conflict of Interest

As Proposal Attachment 5, each bidder shall sign and submit a certification stating that the proposal was developed independently and that no relationship exists, or will exist during the contract period, between bidder and the State that interferes with, or might interfere with, fair competition or is, or might be, a conflict of interest. The substance and form of the certification of independence and no conflict of interest is included as RFP Attachment 5. This certification must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder in contract. Failure to provide the certification required by this section may result in the rejection of the proposal as noncompliant.

5.7 Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion

As Proposal Attachment 6, each bidder shall sign and submit with the proposal a certification stating that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from providing services or transactions by any federal or state department/agency. The substance and form of the certification regarding debarment, ineligibility, and voluntary exclusion is included as RFP Attachment 6. This certification must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder in contract. Failure to provide the certification required by this section may result in the rejection of the proposal as noncompliant.

5.8 Authorization to Release Information

As Proposal Attachment 7, each bidder shall sign and submit with the proposal an authorization for the release of information to the State. The substance and form of the authorization is included as RFP Attachment 7. This authorization must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder in contract. Failure to provide the authorization required by this section may result in the rejection of the proposal as noncompliant.

SECTION 6: EVALUATION OF PROPOSALS

6.1 Award Process

Deloitte, the State's employee benefits consultant, will review all proposals for compliance and qualification in terms of the service requirements and minimum qualifications. Following this initial review, an Evaluation Committee will review and score all compliant proposals as well as select finalists. The committee will consider all information provided in the proposal when scoring proposals and may consider relevant information from other sources. The State of Iowa reserves the right to award this contract not necessarily to the bidder with the lowest cost but to the bidder(s) which will provide the best match to the needs and priorities of the plans and their participants.

6.2 Evaluation Process

The Evaluation Committee will prepare a recommendation as to the bidder(s) that should be selected by DAS. The Evaluation Committee may, in addition to consideration of written proposals:

- Conduct interviews and hear personal presentations from the representatives of vendors selected as finalists.
- Complete reference checks, visit bidder facilities, and take whatever additional actions are deemed appropriate in order to evaluate each bidder's service capabilities.
- Hold any additional meetings that may be required to negotiate a satisfactory contractual arrangement.

Deloitte will conduct an initial review of minimally qualified candidates to select a reasonable number of finalists for review by the Evaluation Committee. The Committee will review and evaluate technical proposals first, before reviewing cost proposals. Representatives of the Committee may perform reference checks of the finalists and will report the findings to the Committee. A final round of evaluation may include interviews of finalists.

The Evaluation Committee will assign points for each of the evaluation criteria set forth in Section 6.3. The committee will base the points on its assessment of the bidder's response to each section.

6.3 Evaluation Criteria and Scoring

6.3.1. Basis for Evaluating Proposals

A. Areas of review. The selection of the bidder will be based on the State's evaluation of each bidder in the following areas:

- Scope of services;
- Statewide dental network with accessibility on a cost-effective basis to high-quality dental providers;
- Past performance in administering dental benefit plans as ascertained by reference checks of the largest group clients;
- The professional experience and number of staff assigned to the State's account;
- The extent to which the requirements listed in all sections of this RFP are met or exceeded;
- Willingness to enter into a performance-based contract;

SECTION 6: EVALUATION OF PROPOSALS

- Responses to the questions;
- Demonstrated financial strength, organizational size, and organizational stability; and
- Cost.

B. Preference for Iowa-based companies. In accordance with Iowa Code Section 8A.311(10), preference will be shown to Iowa-based companies where proposals submitted are comparable in price and meet the required specifications.

6.3.2. Evaluation Criteria and Scoring

A. Dental Network Offered (250 Points)

1. Statewide access to a sufficient number of providers
2. Provider credentialing and network maintenance

B. Customer Service (100 Points)

1. Qualifications of staff assigned to service the State
2. Availability of customer service assistance to State employees and personnel
3. Employee education and communication vehicles
4. Speed of claims processing

C. Administration (100 Points)

1. Administrative capability and suitability
2. Ability to duplicate requested benefits
3. Claims processing and service staff
4. Objective performance measures of accuracy and timeliness of claims processing
5. Technological capabilities
6. Data reporting capabilities

D. Experience (150 Points)

1. Experience with large organizations (10,000 employees or more)
2. Experience with public-sector employers
3. Experience with unionized work force

E. Organizational Qualifications (50 Points)

1. History
2. Financial strength and stability
3. Adequate size

F. Cost (350 Points)

1. Minimum Premium costs for dental insurance products
2. Fees for dental administration services and network access
3. Length of guaranteed rate of premiums/fees
4. Completion of Rate Development, Administration, Retention, and Trend Tables

TOTAL

1,000 Points

SECTION 6: EVALUATION OF PROPOSALS

6.4 Notification of Successful Bidder

After award of the contract(s), all bidders will be notified of the successful bidder(s).

6.5 Verification of Proposal and Contract Negotiation

The bidders shall meet all applicable contracting requirements imposed by this RFP and Iowa law. The successful bidder must, in a timely manner, enter into the contract with DAS to implement the services contemplated by this RFP. It is expected that all such documentation will be executed within forty-five (45) days after the notification of the award. Failure of the successful bidder to agree to the terms of contract within that time period may be grounds for DAS to award the contract to another compliant bidder.

6.6 Authority of the Department of Administrative Services

The Department of Administrative Services shall determine the quantity, quality, and acceptability of work and materials purchased under this contract. The Department shall decide all questions regarding performance and fulfillment of the contract, including the obligations of the contractor.

SECTION 7: PROPOSAL QUESTIONNAIRE

In order for your proposal to be considered and accepted, your organization must provide answers to the questions presented in this section. Each question must be answered specifically and in detail. Include both the question and the answer in your proposal. An electronic copy of this questionnaire has been provided to facilitate your response.

Reference should not be made to a prior response unless the question involved specifically provides such an option. Be sure to refer to the earlier sections of this RFP before responding to any of the questions, so that you have a complete understanding of all of the State's requirements with respect to the bid.

If your proposal is different in any way (whether more or less favorable) from that indicated in this RFP, clearly indicate the deviation. If you do not, the submission of your proposal will be deemed a certification that you will comply in every respect (including, but not limited to, coverage provided, funding method requested, benefit exclusions and limitations, underwriting provisions, etc.) with the requirements set forth in this RFP.

If you are unable to perform any required service indicate clearly: a) what you are currently unable to do; and, b) what steps will be taken (if any) to meet the requirement, the timetable for that process and who will be responsible for the implementation, along with that person's qualifications.

Please include any additional information in your proposal that you consider useful to the State. However, responses to all of the questions set forth below must be provided.

If this proposal results in your company being awarded a contract and if, in the preparation of that contract, there are inconsistencies between what was proposed and accepted versus the contract language that has been generated and executed, any controversy arising over such discrepancy will be resolved in favor of the language contained in the proposal or correspondence relating to your proposal.

Answers that state it is the vendor's policy not to respond to a given question or that response will be provided in the future if named a finalist will be seen as non-responsive and no points will be given for that response.

7.1 Company Organization, Strength and Experience

1. Provide a brief description of your organization, including your company history, organizational structure, services provided, and length of time you have been in the dental benefits insurance and administration business. Describe any pending agreements to merge or sell the company.
2. Vendors responding to this RFP must be able to substantiate their financial stability. Provide a copy of your audited financial statement or other financial information. Include, at a minimum, a Balance Sheet and a Profit and Loss Statement, together with the name and address of the bank(s) with which you conduct business and the public accounting firm(s) that audit your financial statements. Other sufficient information may include a written statement from a financial institution confirming the creditworthiness and financial stability of the bidder.
3. Is there any pending litigation against the company not disclosed in the most recently audited financial statements? If so, give details and provide an opinion of counsel that the pending litigation will not impair the company's performance.
4. Indicate whether your company has ever been a party to litigation regarding a dental benefit plan contract or agreement. If so, provide details of the specifics. Failure to disclose may constitute grounds for rejection of any proposal for termination of any contract.

SECTION 7: PROPOSAL QUESTIONNAIRE

5. State whether the bidder, its officers, agents or employees, who are expected to perform services under the State's contract, have been disciplined, admonished, warned, or had its license, registration, charter, certification, or any similar authorization to do business suspended or revoked for any reason.
6. What is your total number of employer clients for dental benefits administration? In the table below, provide the average number of participants for the geographic areas and time periods specified:

	USA	Iowa
As of January 2008		
As of January 2009		
As of January 2010		

7. What is your average client size (in terms of members)? What is the size of your largest client (number of members)?
8. What ratings have you received from the following rating companies?

Company	Rating
A.M. Best	
Standard & Poor's	
NCQA	

9. What fidelity and surety insurance or bond coverage do you carry to protect your clients? Specifically describe the type and amount of the fidelity bond insuring your employees that would protect this plan in the event of a loss. Do you agree to furnish a copy of all such policies for review by legal counsel if requested?

7.1.2 References and Experience

10. Provide the following detailed information on a maximum of three (3) of the company's largest dental benefit plans in which you provide dental network, insurance and administrative services. Public sector references of similar size to the State of Iowa are preferred.
- Name of employer sponsoring plan
 - Date the vendor was hired
 - Plan inception date
 - Number of individuals participating in the plan
 - Number of individuals eligible to participate
 - Types of services provided to plan sponsor
 - Contact information (name, phone number, fax number, email address)
11. Has the bidder ever held a contract with the State of Iowa? If so, specify dates, contracting department, the name and title of the state official overseeing the contract, and the services performed.
12. Provide details on specific experience your company has had in each of the following areas. Public sector examples are preferred. (Details will include plan category, name of the employer sponsoring plan, the number of participants involved, and the size of the plan.)
- Performing dental benefit plan administration.
 - Accurate payment of claims.
 - Providing a state-wide dental network.
 - Operating an interactive voice response telephone system for participants.
 - Designing written communication items, such as forms, brochures, PowerPoint presentations, and flyers to be provided to Participants.

SECTION 7: PROPOSAL QUESTIONNAIRE

- f. Receiving electronic eligibility data from employer plan sponsors.
13. State whether, during the preceding three-year period, the bidder has been terminated by any large (>1,000 employees) client. If bidder has been terminated on any dental benefit plan contract, identify each such contract, provide a description of the facts and circumstances of the termination, and provide the name, address, and telephone number of a contact person with the entity with whom the bidder had the contract.
14. State whether, during the preceding three-year period, the bidder has terminated a contract prior to the expiration of the stated contract term. If so, list all such contracts, provide a description of the facts and circumstances of each termination, and provide the name, address, and telephone number of a contact person with the entity with whom the bidder had the contract.

7.2 Implementation and Account Management

15. Describe the process, timetable and specific tasks involved in being operational for the 2011 Plan Year Enrollment (October 2010). Include a detailed implementation plan and business plan or timeline. Be specific with regard to the following:
- ☐ Timing of significant tasks
 - ☐ Responsibilities of State of Iowa
 - ☐ Transition with incumbent carrier
 - ☐ Length of time implementation team will be responsible for the State of Iowa
 - ☐ Staff assigned to attend open enrollment/educational sessions at various State of Iowa employee locations
16. Please describe how you will transition the plan administration services from the current vendor (proposed dates, etc.). If desired by the State of Iowa, can historical data (e.g. orthodontia historical claims) be transferred from the previous vendor? Is this process manual or electronic, please describe?
17. Designate the names, titles, location, telephone numbers, email addresses, and fax numbers of the following representatives of the company. For the account service individuals listed, provide brief biographical information, such as years of service with your company, experience as it relates to this proposal, and the number of clients for which they perform similar services.
- a. The key individual representing your company during the proposal process;
 - b. The key individuals on your proposed implementation team;
 - c. The key individual who will be assigned overall contract management; and
 - d. The key individual responsible for day-to-day service.
18. Please provide the following information on the specific areas listed below that will be servicing the State of Iowa.

	Geographical Location(s)	Hours of Operation (Specify PST/CST/EST)	Is this service Outsourced? Yes or No? <i>If Yes, provide name of company to which the function is outsourced</i>
Member Service Center			<input type="checkbox"/> Yes Specify Company Name: _____ <input type="checkbox"/> No
Claims			<input type="checkbox"/> Yes

SECTION 7: PROPOSAL QUESTIONNAIRE

Administration Office			<i>Specify Company Name:</i> _____ <input type="checkbox"/> No
Account Management Office			<input type="checkbox"/> Yes <i>Specify Company Name:</i> _____ <input type="checkbox"/> No
Utilization Management			<input type="checkbox"/> Yes <i>Specify Company Name:</i> _____ <input type="checkbox"/> No
Other (Specify functional area)			<input type="checkbox"/> Yes <i>Specify Company Name:</i> _____ <input type="checkbox"/> No

19. As an attachment to the Proposal, provide a sample of standard management reports that you would agree to provide the State. Include the timing and frequency of these reports.
20. Please describe any ancillary services, discounts or benefits the State and its employees would receive for contracting for services with your company. For example, some vendors offer vision discounts to members.

7.3 Claims & Eligibility Administration

21. Please describe any qualifications or clarifications you would like to make regarding your company's ability to meet the requirements stated in this RFP. Are you able to replicate the plan design requested? If not, please describe any and all limitations, accommodations, or suggested modifications. Verify that you are willing to accept fiduciary responsibility for the plan.
22. Please provide samples of the following for all services and coverages proposed:
- Provider directories for the State of Iowa
 - Sample claim forms
 - Sample identification cards
 - Dental Explanation of Benefits (EOB)
 - Enrollment form/kits
 - Sample billing statement
 - Other, please describe

Is there an additional charge for any of these materials? Can these be customized for the State of Iowa? Is there a cost for this service? Can you provide identifications cards that do not list participant social security numbers?

23. Please describe the claims payment process for participant claims. Describe your claims turnaround times and processes for plan administration. What percentage of claims is submitted electronically? What percent of claims submitted are auto-adjudicated?
24. How long has your claims system been operational?
25. Do you expect to make any major system changes (i.e., move locations, upgrades, etc.) in the next 24 months? If yes, what are they and how will this impact the State of Iowa?

SECTION 7: PROPOSAL QUESTIONNAIRE

26. What database do you utilize to determine reasonable and customary (R&C) (e.g. HIAA, Book-of-Business, or specify other). How often is this information updated?
27. How do you approach coverage continuations for employees terminating State employment? What conversion options are available to employees when they leave employment?

7.3.1 Customer Service

28. What are the specific customer service hours you are proposing for the State of Iowa? The State would prefer access between the hours of 8 am. to 6 pm. CSDT, 5 days per week. Describe your typical number of customer service representatives per company participants. Do you typically assign fully dedicated representatives to clients of the State's size?
29. Describe your customer service triage approach (e.g., live or phone tree) and your call tracking abilities. How many menu options does a member have to go through to get to a live operator?
30. Describe your approach to training customer service representatives. What is the required education level of your representatives? How will representatives learn about the State of Iowa program specifics? What type of ongoing training is provided?
31. Describe how you measure and track customer satisfaction. How is this information used? Describe the grievance and/or appeals protocols in place for plan participants. Do you have a response time goal for which to respond to claim and other questions and complaints?
32. Does your quality improvement program include/track:

Area	Yes	No
Supervisor daily review		
If yes, how many calls to you monitor per month per customer service representative?	_____ Calls Per Month Per Rep.	
Silent monitoring of calls for accuracy and service		
Percentage of resolutions on first call within range		
Review of member correspondence		

33. Indicate your standards for performance, as well as your actual results, based on 2003 services in each of the following areas:
34. Describe the performance of the customer service resources that would be available for SPOC members, including your organization's goals and performance (over the last 18 months) for the following statistics:
 - Total number of daily incoming calls
 - Number of representatives available to take calls
 - Average customer wait time
 - Number of calls answered
 - Number of calls abandoned
35. How often are provider directories updated? Are provider directories maintained online? Will both hard copy and on-line provider directories be available to the State of Iowa?

SECTION 7: PROPOSAL QUESTIONNAIRE

7.3.2 Quality Controls & Audits

36. Describe the quality controls, auditing and peer review mechanisms in place for your claim processing department. Do you use internal or independent/outside auditors? What is the percentage of claims audited? What is the frequency that internal audits are performed?
37. Do you agree to offer the State the right to audit your organization's claim processing service, records and other relevant activity associated with its plan participants? If so, are you willing to partially pay for the audit as the results can be used to the benefit of both the State and the carrier?
38. Describe your disaster recovery plan for restoring application software and master files.

7.3.4 Internet Capabilities

39. Indicate whether Internet- or intranet- based systems to access and/or modify eligibility data, claims data, etc. is available. If available, describe the internal and external systems security measures in place.
40. Complete the following on your Internet capabilities. What information is provided?

Member Can:	Yes	No
Check for a provider (Name, address and location)		
Check the status of a claim		
Check for their own EOB		
Print out (or request) an ID card		
E-mail a question		
Verify eligibility		
Inquire about plan design		
Review covered items under the plan on-line (i.e., On-line SPD)		
Other?		
Employer Can:	Yes	No
Print Reports		
Print directories		
Order supplies		
Ask a question		
View eligibility information		
Check payment of fees		
Other?		
Provider Can:	Yes	No
Check eligibility of member		
Submit a claim electronically		
Search for a specialist		
Check status of claim payment		
Check to see if an item is covered		
Review plan requirements (for Pre-Cert)		
Other?		

What enhancements are expected to your website and what is the expected delivery date?

41. How do you maintain a secure environment for communicating and transacting business with each audience (plan members, providers, and plan sponsors)? Briefly summarize your participant privacy policy.

SECTION 7: PROPOSAL QUESTIONNAIRE

42. Please describe the steps you have taken to reduce the possibility of member identity theft. What security measures do you have in place to insure the integrity of your data systems and the personal health information of members on these systems?

7.4 Network Accessibility and Disruption

For the State of Iowa Dental Plan, we are requiring that vendors provide a GeoAccess network accessibility and disruption analysis outlining network access based on the following parameters. This GeoAccess analysis must be provided for your Iowa statewide network. Census files and a top provider report have been provided for your use.

Please provide the GeoAccess summaries and back-up detail for employees who fall both within and outside the following access standards. In addition, please indicate the number of providers listed in the attached State of Iowa Top Providers report that participate in your network.

Provider Type	Access Standard
Primary Care Dentists	2 in 10 miles
Specialists	2 in 10 miles with an open practice
State of Iowa Top Providers (attached report)	Indicate which current State of Iowa top providers (see reports provided) participate in your proposed network

43. Please complete the following table regarding your network in the State of Iowa. County 1 through 5 should be based on the five most populated counties in your network by members

Location/Zip Code	Primary Care
State of Iowa	
County 1	
County 2	
County 3	
County 4	
County 5	

44. Is any part of your network leased? Please describe the percentage. If yes, identify owner of the network and the geographic service area.
45. How often are provider contract rates renegotiated? Do your contracts include a specific clause which limits the amount of increase? Are there automatic annual increase provisions included in any of your contracts?
46. Do you anticipate renegotiating provider contracts in the next 12 to 24 months?
47. Have you renegotiated any provider contracts in the last 12 to 24 months? If you have, what was the financial impact to your organization and your customers?
48. Do you negotiate out-of-state claims? Do you provide a network for out-of-state claims? If so, is this network nationwide? Are out-of-state claims incurred at network providers paid at the in-network level?
49. Do you provide services to out-of-area dependents? If so, how do you identify dependents in an out-of-service area? Can you provide access to network providers at discounted rates to out of town student members?

SECTION 7: PROPOSAL QUESTIONNAIRE

50. What is your standard process and advance notification timeframe to notify the State of Iowa and its members of network changes?
51. What is the current percentage of providers that are accepting new patients?
52. Do you have a system for maintaining credentialing information? How often is each provider re-credentialed? What information is verified during provider re-credentialing? Please complete the provided table.

Verified During Dentist Re-credentialing	Utilized (Y/N)
State License	
Malpractice	
Site Visits	
Other; please list	

53. Please list your most recent annual network provider turnover rates (percentages) for both voluntary and involuntary turnover?
54. Enter the percentage of Providers that are reimbursed by the following methods in the following table.

Method of Reimbursement	% Reimbursed by Method
Salary	
Discounted Fee For Service w/ Withhold	
Fee for Service w/ Bonus	
Fee Schedule	
Capitation	
Capitation w/ Withhold	
Capitation w/ Bonus	
Percentage Discount	
Other; please specify	
Total	

SECTION 7: PROPOSAL QUESTIONNAIRE

7.5 Performance Criteria

Performance-based measures are required to be included in any State contract pursuant with Iowa Code section 8.47 (1) (Iowa Code 2003). Please review these proposed performance criteria carefully and provide your comments and any deviations in the vendor comments column, and detail in your proposal.

Performance Objective	Vendor Comments
Percentage of Fees/Premiums at Risk	
10% of Administration Fees	
Implementation	
Administrator will meet all significant deadlines related to program implementation as discussed and agreed to at the project-planning meeting.	
Account Service	
The vendor will provide a dedicated account executive that will handle service issues related to the program.	
The vendor's representatives (all levels) will be accessible to the State's benefits staff via electronic mail.	
Standard and agreed upon State-specific reports provided on time	
<ul style="list-style-type: none">• Prompt notice of state/federal law changes• Delivery of contracts and amendments prior to effective dates for review and signatures• Regularly scheduled meetings as determined by the State• Meeting service quality as determined by the State• Prompt resolution of problems	
Claims Administration/Quality Assurance	
Claims Administration: <ul style="list-style-type: none">• Financial Precision - 98%• Accurate Payment Frequency – 99%• Claim Turnaround – median average on clean claims of 7 days and 100% of clean claims paid or denied within 30 calendar days	
Provider Network	
Network Accessibility: <ul style="list-style-type: none">• Minimum of 80% of all participating providers must have open practices	
Member Services	
Member Services Phone Response/Abandonment Rates: <ul style="list-style-type: none">• 85% reach a live voice within 30 seconds• Abandonment rate less than 3%• 85% of member services issues will be resolved on the first call Written Responses: <ul style="list-style-type: none">• 85% within 2 working days; 90% within 7 working days; 98% within 30 days	

SECTION 7: PROPOSAL QUESTIONNAIRE

<p>ID Card Distribution:</p> <ul style="list-style-type: none">• 100% of initial ID cards mailed within 7 calendar days of receipt of eligibility data for ongoing enrollments <p>Benefit Certificates</p> <p>100% of certificates mailed within 30 days of receipt of eligibility data for ongoing enrollments</p> <p>Eligibility:</p> <ul style="list-style-type: none">• Tapes uploaded bi-weekly from the State• 99% of all eligibility records complete and accurate	
<i>Client Services</i>	
<ul style="list-style-type: none">• Renewal and information requests will be provided to the State in a timely and accurate manner and within 30 days of written request.• All written data requests from the State acknowledged within 5 business days. This acknowledgement must include a timeframe for completion.• All written data requests must be presented to the State within the timeframes forwarded.	

SECTION 8: COST PROPOSAL

Please review the Description of Desired Services section of this RFP for funding and plan design information.

8.1 Cost Proposal Exhibits

Please complete the questions and exhibits in this section. These exhibits are to be submitted to Deloitte Consulting only and in a separate sealed envelope. The exhibits must be submitted in the prescribed format and have been provided electronically to facilitate your response.

The Minimum Premium Rate exhibit requests premium rates for the dental PPO plan based on a 100% attachment point. This is the required proposal. In addition, The State will also consider alternative attachment points and associated risk charges. Please complete the cost proposal exhibits in full for each option proposed. The State requests rates on a two and three-tier basis.

SECTION 8: COST PROPOSAL**EXHIBIT A****MINIMUM PREMIUM RATES
100% ATTACHMENT POINT**

2011	Assumed Enrollment	Proposed Rates	= Total Annual Premium
Employee			
Family			
TOTAL			

2011	Assumed Enrollment	Proposed Rates	= Total Annual Premium
Employee			
Employee + 1			
Family			
TOTAL			

2012 Rate Cap Guarantee: _____**2013 Rate Cap Guarantee:** _____**Note Assumptions:****MINIMUM PREMIUM — RATE DEVELOPMENT**

Please complete the following exhibit to demonstrate how you developed the 2011 proposed rates. Note that the retention costs should be consistent with the overall/total administration cost provided in the *Administration and Retention* table.

		For Illustration Purposes	
	2011	2012	2013
Experience Period			
Projection Period			
Number of Months of Trend			
Beginning Balance	\$0	\$0	\$0
Premium Component	Cost	Cost	Cost
Premium Revenue			
Experience Period Paid Claims			
IBNR			
Incurred Claims			

SECTION 8: COST PROPOSAL

Adjustments (list)			
Aggregate Trend			
Projected Claims			
Administration/Retention*			
Total Claims and Expenses			
Surplus (Deficit)			

**from Administration and Retention Table*

SECTION 8: COST PROPOSAL**EXHIBIT B****MINIMUM PREMIUM – ADMINISTRATION, RETENTION AND TREND TABLES****Administration and Retention**

	2011	2012	2013
Administration Component	% or \$	% or \$	% or \$
Claims Processing			
Customer Service			
Communication			
Account Servicing			
Profit Margin			
Interest (float)			
Risk/Contingency (100% attachment point)			
Network Access Fees			
All Others (please list individually)			
TOTAL			

TREND ASSUMPTIONS**Weighted Trend**

Category	Trends			Weighted Trend
	A. Cost	B. Utilization	Combined (A*B)	
Diagnostic				
Preventive				
Restorative				
Crowns				
Endodontics				
Periodontics				
Prosthodontics				
Oral Surgery				
Outpatient Surgery				
Orthodontia				
Other				
Total				

SECTION 8: COST PROPOSAL**EXHIBIT C****SELF FUNDED RATES**

2011	Assumed Enrollment	2011 Proposed Rates	= Total 2011 Annual Premium
Employee			
Family			
TOTAL			

2011	Assumed Enrollment	2011 Proposed Rates	= Total 2011 Annual Premium
Employee			
Employee + 1			
Family			
TOTAL			

Note Assumptions:**SELF FUNDED — RATE DEVELOPMENT**

Please complete the following exhibit to demonstrate how you developed the 2005 proposed rates. Note that the retention costs should be consistent with the overall/total administration cost provided in the *Administration and Retention* table.

	2011	2012	2013
Experience Period			
Projection Period			
Number of Months of Trend			
Premium Component	Cost	Cost	Cost
Premium Revenue			
Experience Period Paid Claims			
IBNR			
Incurred Claims			
Adjustments (list)			
Aggregate Trend			
Projected Claims			
Administration/Retention*			
Aggregate Stop Loss (125%) Premium			
Total Claims and Expenses			

SECTION 8: COST PROPOSAL

**from Administration and Retention Table*

SECTION 8: COST PROPOSAL**EXHIBIT D****SELF FUNDED – ADMINISTRATION, RETENTION, AND TREND TABLES****Administration and Retention**

	2011*	2012*	2013
Administration Component	% or \$	% or \$	% or \$
Claims Processing			
Customer Service			
Communication			
Account Servicing			
Profit Margin			
Interest (float)			
Network Access Fees			
All Others (please list individually)			
TOTAL			
	PEPM	PEPM	PEPM
Aggregate Stop Loss (125%)			

* Note: 2011 and 2012 guaranteed

TREND ASSUMPTIONS**Weighted Trend**

Category	Trends			Weighted Trend
	A. Cost	B. Utilization	Combined (A*B)	
Diagnostic				
Preventive				
Restorative				
Crowns				
Endodontics				
Periodontics				
Prosthodontics				
Oral Surgery				
Outpatient Surgery				
Orthodontia				
Other				
Total				

SECTION 8: COST PROPOSAL**EXHIBIT E****STATE OF IOWA PPO – NETWORK FEE SCHEDULE ANALYSIS****Location: Des Moines**

<u>ADA/CDT Code</u>	<u>Description</u>	<u>In-Network Cost</u>	<u>UCR 80th%</u>
0120	Adult Exam	\$ _____	\$ _____
1110	Adult Cleaning	\$ _____	\$ _____
2140	Amalgam Restoration – one surface	\$ _____	\$ _____
7140	Simple Extraction	\$ _____	\$ _____
3310	Anterior Root Canal	\$ _____	\$ _____
2790	Gold Crown	\$ _____	\$ _____
2750	Porcelain/Gold Crown	\$ _____	\$ _____
5110	Complete Upper Denture	\$ _____	\$ _____
6240	Porcelain/Gold Bridge Pontic	\$ _____	\$ _____
6750	Porcelain/Gold Partial Crown	\$ _____	\$ _____

Location: Iowa City

<u>ADA/CDT Code</u>	<u>Description</u>	<u>In-Network Cost</u>	<u>UCR 80th%</u>
0120	Adult Exam	\$ _____	\$ _____
1110	Adult Cleaning	\$ _____	\$ _____
2140	Amalgam Restoration – one surface	\$ _____	\$ _____
7140	Simple Extraction	\$ _____	\$ _____
3310	Anterior Root Canal	\$ _____	\$ _____
2790	Gold Crown	\$ _____	\$ _____
2750	Porcelain/Gold Crown	\$ _____	\$ _____
5110	Complete Upper Denture	\$ _____	\$ _____
6240	Porcelain/Gold Bridge Pontic	\$ _____	\$ _____
6750	Porcelain/Gold Partial Crown	\$ _____	\$ _____

Location: Sioux City

<u>ADA/CDT Code</u>	<u>Description</u>	<u>In-Network Cost</u>	<u>UCR 80th%</u>
0120	Adult Exam	\$ _____	\$ _____
1110	Adult Cleaning	\$ _____	\$ _____
2140	Amalgam Restoration– one surface	\$ _____	\$ _____
7140	Simple Extraction	\$ _____	\$ _____
3310	Anterior Root Canal	\$ _____	\$ _____
2790	Gold Crown	\$ _____	\$ _____
2750	Porcelain/Gold Crown	\$ _____	\$ _____
5110	Complete Upper Denture	\$ _____	\$ _____
6240	Porcelain/Gold Bridge Pontic	\$ _____	\$ _____
6750	Porcelain/Gold Partial Crown	\$ _____	\$ _____

SECTION 8: COST PROPOSAL

8.2 Cost Proposal Questionnaire

1. Provide detailed information regarding the initial and ongoing premium rate calculation.
2. How long are premium rates guaranteed? How long will notice be given of any rate changes?
3. What are your minimum enrollment requirements? Does the total number of enrollees affect the rating methodology or pricing? Please provide your enrollment assumptions used for the fee quotations provided in this proposal.
4. Please confirm that coverage will be provided on a no-loss, no-gain basis and that all actively at work requirements and pre-existing condition limitations will be waived for the initial transition.
5. Please provide your book of business dental PPO trend for the last three calendar years.
6. For your minimum premium quote, please describe any alternative attachment point proposals and associated risk charges. Please complete Exhibits A and B for each attachment point proposal (in addition to the 100% proposal required).
7. For your proposed State of Iowa PPO network, please complete the following table with the average provider discount off UCR for Des Moines, Iowa and all other Iowa locations.

	General	Endo	Ortho
Des Moines			
All Other			

8. Please provide your actual book of business trend for the following years:

	Trend
2010 Expected	
2009	
2008	

Attachments

ATTACHMENT 1 – PROPOSAL CHECKLIST

STATE OF IOWA DENTAL PROPOSAL CHECKLIST

One original copy of this form must be completed and accompany proposals.

Item	Provided (Please check if completed and included with your proposal)
Signed Transmittal Letter Accept RFP Terms and Conditions Verification of Iowa Registration	
Signed Errors and Omissions Insurance	
Proposal Certification Form (Attachment 4)	
Certification of Independence and No Conflict of Interest Form (Attachment 5)	
Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Form (Attachment 6)	
Authorization to Release Information Form (Attachment 7)	
Questionnaire GeoAccess Network Analysis	
Cost Proposal (to Deloitte only) Exhibits Cost Proposal Questionnaire	
Proposed Contract Changes (redlined document, if any)	

ATTACHMENT 2 – CONTRACT TERMS AND CONDITIONS

This Agreement for administration of a dental benefits program is between the State of Iowa, through the Iowa Department of Administrative Services, and _____. The parties agree as follows:

SECTION 1. IDENTITY OF THE PARTIES

1.1 The State of Iowa, through the Department of Administrative Services (“DAS”), is authorized to enter into this Agreement. DAS’s address is Grimes State Office Building, 400 E 14th St., Des Moines, IA 50319.

1.2 Vendor Information TBD

SECTION 2. PURPOSE

The parties have entered into this Agreement for the purpose of retaining Vendor to provide the administration of the State of Iowa’s Dental Benefit Program under a minimum premium funding arrangement as defined herein.

DAS desires that Vendor settle claims with dentists for dental services provided to Members, and Vendor desires that DAS reimburse Vendor for Benefits Expense plus Administrative Fees as more specifically set forth in this Agreement.

The Maximum Liability Unit Rates and Terminal Liability Unit Rates are not rates that must be paid regardless of the ultimate claim cost, as would be true of a fully insured program. Vendor will only settle claims incurred by Contractholders and Members. If the funding level for claims has been set too high for any reason, the excess funds are maintained by DAS, not by Vendor. On the other hand, if claim costs exceed the Cumulative Maximum Liability limits, Vendor will be liable for the excess.

SECTION 3. DURATION OF AGREEMENT

The term of this Agreement shall be January 1, 2011 through December 31, 2012, unless terminated earlier in accordance with the Termination section of this Agreement. DAS shall have the option to renew this Agreement for up to two successive two- (2) year extensions, subject to the written agreement of Vendor.

SECTION 4. DEFINITIONS

The following words shall be defined as set forth below:

4.1 Administrative Fees means an amount per Contractholder which Vendor charges DAS that includes allocations for Vendor’s cost of administering the State’s plan and general operating costs. The basis for calculation of Administrative Fees for each coverage classification during the Rating Period is stated in Exhibit A attached to this Agreement.

4.2 Administrative Services means those services to be performed by Vendor for DAS in connection with this Agreement, including but not limited to the following: claims processing, dedicated customer services, accounting services, actuarial services,

ATTACHMENT 2 – CONTRACT TERMS AND CONDITIONS

- enrollment services, data processing services, and such other related services as the parties may agree are appropriate and necessary to accomplish the objectives of this Agreement. Administrative Services expressly excludes any services for the administration of continued dental coverage pursuant to the Consolidated Omnibus Reconciliation Act of 1985 (COBRA), as amended, or any state or federal law relating to continuation coverage of DAS's plan, except that Vendor agrees to act as billing agent on behalf of DAS for individuals identified by DAS as being eligible for continued dental coverage under COBRA.
- 4.3 Agreement** means this Group Dental Agreement; the Financial Exhibit dated January 2005 and marked Exhibit A, which may be revised or amended to reflect downward adjustments in rates unless there are benefit or enrollment enhancements; DAS's Request for Proposal dated March 2010 (RFP) and amendments and written responses to bidders' questions; and Vendor's response thereto dated May 28, 2010, with subsequent clarifications or changes.
- 4.4 Benefits Summary** means the written document, which describes and defines a welfare benefit plan for dental services, which DAS established for eligible employees and their dependents.
- 4.5 Benefits Expense** means the same amount as Claims Paid for the month.
- 4.6 Claims Paid** means, for Incurred Claims, the amount for which liability is discharged by Vendor's payment on behalf of DAS without regard to the Incurred Date. This amount is calculated by deducting from the Covered Charges, any amounts attributable to Provider Savings, deductibles, coinsurance, and Contract Limitations. The amount of Claims Settled during the Rating Period is determined by the date of Vendor's check or remittance.
- 4.7 Contractholder** means any individual identified by DAS as a person eligible for and enrolled in the Dental Benefit Program subject to the terms, conditions and limitations described in the Benefits Summary..
- 4.8 Contract Limitations** means the amounts that are the liability of the Contractholder under the Dental Benefit Program. These include services that are not covered, charges for services that are not dentally necessary, penalties for failure to follow notification requirements and charges for services that exceed contract maximums.
- 4.9 Covered Charge** means the amount billed by a dentist for a covered procedure during the term of Agreement.
- 4.10 Covered Services** means those dentally necessary procedures, services or supplies that are listed as benefits in the Benefits Summary.
- 4.11 Cumulative Actual Liability** means the amount for which DAS is obligated to make payment to Vendor. It is the lesser of Cumulative Maximum Liability or Cumulative Benefits Expense and Administrative Fees. The calculation of the State's Cumulative Actual Liability will be performed monthly throughout the Term of Agreement.

ATTACHMENT 2 – CONTRACT TERMS AND CONDITIONS

- 4.12 Cumulative Benefits Expense and Administrative Fees** means the cumulative sum obtained by adding together Benefits Expense and Administrative Fees each month during the Term of Agreement.
- 4.13 Cumulative Maximum Liability** means the upper limit for which DAS could be obligated to make payment to Vendor. It is the cumulative sum of the Monthly Maximum Liability during the Term of Agreement.
- 4.14 Deliverables** shall mean all tangible items specified as deliverables or work product in Section 5 and 6 below.
- 4.15 Vendor Allowance** means the lesser of the Covered Charge for a specific dental procedure and the maximum allowable fee that Vendor has established for the same dental procedure.
- The maximum allowable fee is established by Vendor for a covered dental procedure that is dentally necessary and dentally appropriate. It is developed from various sources, such as contracts with dentists, input from Vendor's consultants, the simplicity or complexity of the procedure, and the billed charges for the same procedures by dentists in Iowa.
- 4.16 Dental Benefit Program** means the dental benefits provided to Members by the State of Iowa as described in the benefits certificate Benefits Summary and associated amendments.
- 4.17 Dentist** means any licensed provider recognized by Vendor for the provision of Covered Services to Members.
- 4.18 Effective Date** of this Agreement means January 1, 2011.
- 4.19 Incurred Claims** means claims for dental services that are furnished to Members with a date of service during the Term of Agreement.
- 4.20 Incurred Date** means the date dental services are provided.
- 4.21 Maximum Liability Unit Rates** means the dollar amounts per contract per month as stated on Exhibit A for Benefits Expense and Administrative Fees which will be used to determine the Monthly Maximum Liability during the Term of Agreement.
- 4.22 Member** means any person enrolled in the Dental Benefit Program, including any enrolled spouse and dependents of the Contractholder, subject to the terms, conditions and limitations described in the Benefits Summary.
- 4.23 Monthly Interim Settlement** means the amount determined to be due from DAS to Vendor, or from Vendor to DAS, as appropriate, as determined by Section 6.3 of this agreement.
- 4.24 Monthly Maximum Liability** means the monthly total of the amounts obtained by multiplying the Maximum Liability Unit Rates by the number of Contractholders for each coverage classification during each month of the Term of Agreement, including the

ATTACHMENT 2 – CONTRACT TERMS AND CONDITIONS

- effects of retroactive additions or deletions of Contractholders reported to Vendor by DAS.
- 4.25 Proposal** shall mean the response by Vendor to the RFP including any attachments, appendices, clarifications, addenda or other writings.
- 4.26 Provider Savings** means the amount saved due to Vendor's contracts with providers. It is calculated as the difference between the Covered Charges and the Vendor Allowance amount.
- 4.27 Rating Period** means the twelve- (12-) month time period for which the Administrative Fees, Maximum Liability Unit Rates, Terminal Liability Administrative Fees, Terminal Liability Unit Rates, and Weekly Transfer Amounts shown on Exhibit A apply. The division of the Term of Agreement into one or more Rating Periods shall have no effect upon the State's cumulative liabilities to Vendor or Unrecovered Deficit position throughout the entire Term of Agreement.
- 4.28 RFP** shall mean Request for Proposal as issued by DAS on December 15, 2003, including any attachments, appendices, clarifications, addenda or other writings.
- 4.29 State** shall mean the State of Iowa.
- 4.30 Surplus** means the amount by which the Cumulative Maximum Liability exceeds the Cumulative Benefits Expense and Administrative Fees during the Term of Agreement, as measured at the end of any month during the Term of Agreement.
- 4.31 Term of Agreement** means the two 2-year period commencing January 1, 2011 and ending on December 31, 2012 and as may be extended for two successive 2-year terms through December 31, 2016.
- 4.32 Terminal Benefits Expense** means the amount of Benefits Expense settled by Vendor on behalf of DAS within seventeen (17) months following the end of the Term of Agreement.
- 4.33 Terminal Liability** means an upper limit of the State's liability, following the termination of this Agreement, for payment to Vendor of Terminal Liability Administrative Fees, Terminal Benefits Expense, and Unrecovered Deficits that exist when the Agreement terminates. Vendor shall determine the Terminal Liability by first adding together the number of Contractholders in effect for each month for each coverage classification during the twelve (12) calendar months preceding the effective date of termination of the Agreement. The result of this calculation will be multiplied by the Terminal Liability Unit Rates per coverage classification shown on Exhibit A (or subsequent Revisions or Amendments to Exhibit A, if any, duly executed by the parties to this Agreement). Claims, administrative fees, and any remaining Unrecovered Deficit amounts in excess of the amount resulting from this calculation will be the responsibility of Vendor.
- 4.34 Terminal Liability Administrative Fees** means those amounts stated in Exhibit A expressed as a percentage of Terminal Benefits Expense, following termination of this

ATTACHMENT 2 – CONTRACT TERMS AND CONDITIONS

Agreement, which will be charged to DAS for payment of Administrative Services following termination of the Agreement.

- 4.35 Terminal Liability Unit Rates** means the dollar amounts per contract per month as stated on Exhibit A for Terminal Benefits Expense and Terminal Administrative Fees which will be used to determine the Terminal Liability at termination.
- 4.36 Terminal Reserve Fund Balance** means the sum of all amounts accumulated by DAS for funding of Terminal Benefits Expense, Terminal Liability Administrative Fees, and Unrecovered Deficits.
- 4.37 Unrecovered Deficit** means the amount by which Cumulative Benefits Expense and Administrative Fees exceed the Cumulative Maximum Liability, as measured at the end of any month during the Term of Agreement.
- 4.38 Weekly Transfer Amount** means the amounts shown on Exhibit A as interim payments from Employer for the purpose of funding Benefits Expense and Administrative Fees.

SECTION 5. SCOPE OF SERVICES

- 5.1 Scope of Services.** Vendor shall provide administrative services for the Dental Benefit Program for certain eligible employees of the executive, legislative, and judicial branches of Iowa state government. Vendor will also be expected to provide written communications, Benefits Summaries, cost estimates for both legislative and collective bargaining proposals and other services as identified in this Agreement. Vendor shall provide the following services in accordance with the defined performance expectations as set forth below.
- 5.1.1 Personnel.** Vendor shall maintain sufficient personnel in its offices to enroll eligible employees under the Dental Benefit Program, to process claims, to assist in the reconciliation of any discrepancies between Vendor's records and those of the State, to answer inquiries of members and the State as to claims and other records maintained or generated by Vendor; and to otherwise fulfill its duties and responsibilities under this Agreement.
- 5.1.2 Telephone Services.** Vendor shall maintain a toll-free telephone number to respond to Member inquiries as well as a toll-free TDD line for hearing impaired Members. Upon proper identification, Vendor shall, to the extent possible, answer inquiries over the telephone. Vendor shall also provide an interactive voice response toll-free telephone system, which will enable Members to obtain current, personalized information concerning their claims as well as general information concerning the Dental Benefit Program. Such system shall be available twenty-four (24) hours a day seven (7) days per week. Vendor shall advise all Participants of the availability of its toll-free numbers.
- 5.1.3 Administration.** Vendor shall administer the program as described in the Request for Proposals. Under this Agreement, Vendor shall assume fiduciary responsibility for the Dental Benefit Program.

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- 5.2 Consultation and Advice.** Vendor shall advise the DAS of present and future changes, legislative or otherwise, which would impact the Dental Benefit Program as well as assist DAS in maintaining compliance with any and all regulations and laws. Vendor shall recommend amendments to the Agreement or changes in program operation as may be required by changing conditions, laws or regulations, or as may be beneficial in offering Members the most advantageous dental benefits.
- 5.3 Industry Standards.** Vendor represents and warrants that all of the services to be performed hereunder will be rendered using sound, professional practices and in a competent and professional manner by knowledgeable, trained and qualified personnel and that all aspects of the goods and services provided or used by it shall conform to the standards in the insurance industry in the performance of this Agreement. In the absence of a detailed specification for the performance of any portion of this Agreement, the parties agree that the applicable specification shall be the generally accepted industry standard.
- 5.4 Personnel to Perform the Services.** As part of the consideration for this Agreement, DAS is relying on the personal skills of the key individuals identified in Vendor's proposal to perform the services described in the scope of services. Vendor must receive DAS's written approval prior to making any substitutions of key personnel by Vendor during the term of this Agreement or any extensions thereof. In addition, DAS may prohibit any Vendor personnel or agents from performing services under this Agreement if DAS reasonably determines that such individual's performance does not meet DAS's expectations.
- 5.5 Responsibilities of DAS.** During the Term of Agreement, DAS agrees to furnish Vendor with timely information in a form and manner reasonably required by Vendor in order that Vendor may properly discharge its responsibilities under this Agreement, including but not limited to information necessary for the proper administration of coordination of benefits, subrogation, worker's compensation and other limitations and exclusions described in the Benefits Summary. DAS shall be responsible for providing the initial eligibility status of Members and providing such information to Vendor. In addition, DAS shall provide any information as it may become available which affects the eligibility status of Members.
- 5.6 Responsibilities of Vendor.** Vendor will settle Incurred Claims and perform Administrative Services. Vendor will perform ongoing eligibility maintenance as information becomes available to Vendor that is inconsistent with a Member's eligibility status under the Dental Benefit Program. DAS Benefits Summaries setting forth the benefits and provisions of the Agreement will be jointly developed and approved by both parties. Vendor will distribute the Benefits Summaries to Contractholders, unless directed otherwise by DAS.
- 5.7 Financial and Claims Reports.** Vendor will provide DAS with financial and claims reports in the frequency shown below by total and by dental plan. The costs for these reports are included in the Administrative Fee. If subsequent revisions are requested that require the allocation of significant programming resources, a fair-cost based estimate

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will be provided to DAS prior to proceeding with revisions. Changes which do not require significant programming will be incorporated without additional cost to DAS.

Report

Frequency

Dental Management Review	Annual
Enrollment Demographics Profile	Annual
Dental Utilization	Annual
Dental Billing	Monthly

- 5.8 Subrogation.** Vendor shall provide subrogation recovery service. Such service will include all steps taken, excluding litigation in the State's name, to recover Claims Settled that may be found to be the liability of a third party or other insurance carrier. The DAS shall accept any recoveries as negotiated by Vendor as settlement in full. However, if the fee charged for collection of the subrogation interest by legal counsel retained by the Member exceeds the prevalent fees for such services, Vendor will not authorize pursuit or settlement of the subrogation claim by said Member's attorney without the authorization of the DAS. Further, if, in the opinion of Vendor, recovery of funds will not offset the costs associated with such recovery, Vendor shall inform DAS in writing of its opinion. Thereafter, unless the DAS directs otherwise, the claim shall not be further pursued by Vendor. In such case, DAS may obtain an assignment from Vendor, if necessary, and pursue any recovery on its own. In the event DAS directs Vendor to pursue any such recovery notwithstanding any such notice, DAS shall be responsible for any attorney fees and costs that exceed the amount of the recovery. Within thirty (30) days following the end of a quarter (the first report to be issued by April 30, 2011), Vendor shall provide DAS with a report of the status of its subrogation cases under this Agreement.

SECTION 6. SETTLEMENT OF INCURRED CLAIMS AND ADMINISTRATIVE SERVICE FEES

- 6.1 Weekly Transfer.** DAS will remit to Vendor the Weekly Transfer Amounts on the first four (4) Mondays of each month during the Term of Agreement, or on the next business day if the Monday is a State holiday. The Weekly Transfer Amounts may be changed by mutual agreement of the parties in the event DAS continually maintains a Surplus position. Vendor reserves the right to require the original Weekly Transfer Amounts if the State's position changes to an Unrecovered Deficit position.
- 6.2 Monthly Statements.** Within twenty (20) calendar days of the end of each calendar month during the Term of Agreement, Vendor shall submit to DAS a monthly statement for the preceding month. The statement will show the following amounts, as determined through the last calendar day of the preceding month:
- Cumulative Benefits Expense and Administrative Fees
 - Cumulative Maximum Liability
 - Cumulative Actual Liability
 - Cumulative Cash Received
 - Total Weekly Transfer Amounts Received by Vendor

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- f. Total Monthly Interim Settlements Received by Vendor
- g. Monthly Interim Settlement
- h. Benefits Expense and Administrative Fees
- i. Monthly Maximum Liability
- j. Unrecovered Deficits, or Surpluses, if any
- k. Claims Settled, and
- l. Administrative Fees.

6.3 Monthly Interim Settlement.

- a. The Monthly Interim Settlement due from DAS each month shall be equal to the amount obtained by subtracting the total of all Weekly Transfer Amounts and all Monthly Interim Settlements received from or paid to DAS during the Term of Agreement through the end of the preceding month from the Cumulative Actual Liability as determined through the end of the preceding month.
- b. If the amount of the Cumulative Actual Liability is less than the total of Weekly Transfer Amounts and Monthly Interim Settlements previously received from or paid to DAS, then Vendor will refund the difference to DAS by the last day of the calendar month in which the statement was issued. The amount paid will be the Monthly Interim Settlement for that month.
- c. If the amount of the Cumulative Actual Liability is greater than the total Weekly Transfer Amounts and Monthly Interim Settlements received from or paid to DAS, then DAS will remit the difference by the last day of the calendar month in which the statement was issued. The amount received from DAS will be the Monthly Interim Settlement for that month.

6.4 Final Settlement upon Termination of Agreement. Upon termination of this Agreement, there will be run-out claims known as Terminal Benefits Expense as set forth in this paragraph.

- a. Vendor has no obligation to settle Incurred Claims which are submitted to Vendor for processing more than 365 days after the end of the calendar year in which the claim was incurred.
- b. Subject to the timely filing limitation in subparagraph (a), for up to seventeen (17) months following the effective date of termination, DAS shall pay Vendor for all Terminal Benefits Expense, Terminal Liability Administrative Fees, and Unrecovered Deficits which shall not exceed the amount of Terminal Liability.
- c. Within twenty (20) calendar days after the end of each calendar month of the first year following the effective date of termination, Vendor shall submit to DAS a monthly statement showing the amount of Terminal Benefits Expense during the preceding month, the amount of Terminal Liability Administrative Fees for the preceding month, and the amount of any Unrecovered Deficit. The amount due from DAS shall be the total amount of Terminal Benefits Expense and Terminal Liability Administrative Fees for the preceding month, plus any existing unpaid Unrecovered

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Deficit, subject to the limit of the Terminal Liability. Payment is due from DAS by the last calendar day of the month in which the statement was issued.

- d. In the event DAS terminates this Agreement prior to December 31, 2006, for any reason other than a material breach of the Agreement committed and not cured by Vendor within a reasonable time, the provisions of subsections (a) through (c) of this section 6.4 shall not apply. In such event, DAS shall be obligated to make immediate payment to Vendor for the amount of any Unrecovered Deficits that may exist as of the effective date of termination. DAS shall also be obligated to pay Vendor for Terminal Benefits Expense, Terminal Liability Administrative Fees, plus any outstanding unpaid amounts due from prior periods during the Term of Agreement, within ten (10) days from receipt of a monthly statement from Vendor showing such amounts.

6.5 Grace Period. There will be a twenty (20) day grace period in effect for any payment due under this Section, which shall be administered as follows:

If any payment is not received as scheduled, without notification from DAS as to the cause, Vendor will provide written notice to DAS of such non-payment(s) within ten (10) days following the payment due date. Vendor will also hold claims when the written notice is provided to DAS. If no payments have been received within twenty (20) days following the payment due date, this Agreement will terminate immediately without further administrative fees, and Unrecovered Deficits shall not be limited by the Terminal Liability. Effective upon signature of both parties to this Agreement and subject to Iowa Code section 421.40(1995), Vendor shall be entitled to collect interest at the maximum legal rate allowed on any amounts at least sixty days past due so long as the reason for the non-payment is not attributable to Vendor.

SECTION 7. CHANGES IN FINANCIAL TERMS

7.1 Changes to Exhibit A Financial Information.

- a. The Administrative Fees, Maximum Liability Unit Rates, Terminal Liability Unit Rates, Terminal Liability Administrative Fees, and Weekly Transfer Amount set forth on Exhibit A may be changed by mutual consent of the parties. However, Maximum Liability Unit Rates are subject to a _____% rate cap guarantee for _____.
- b. Vendor will be provided advance notice of DAS's intent to significantly change its contribution strategy. Vendor will use its actuarial expertise to adjust only the claims portion of the Maximum and Terminal Liability Unit Rates, up or down, without regard to existing surplus or deficit, to reflect the changing risk of individuals in the affected benefit plan. Vendor will communicate any adjustment to DAS. If the adjustment to the Maximum and Terminal Liability Unit Rates is not required as a result of the change in contribution strategy, the amendment will so state.
- c. In the event that DAS is required to change the eligibility and enrollment policies contained in this Agreement, the effect, if any, of the change in policy on the financial terms will be determined by Vendor using appropriate underwriting and

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actuarial principles without regard to Surplus or Unrecovered Deficit position and communicated to DAS. This Agreement will be amended as appropriate to reflect the change in eligibility and enrollment policies and any changes in Administrative Fees, Maximum Liability Unit Rates, Terminal Liability Administrative Fees, or Terminal Liability Unit Rates that may be required as a result of the change in DAS's policy. If Vendor determines that no adjustment to the Administrative Fees, Maximum Liability Unit Rates, Terminal Liability Administrative Fees or Terminal Liability Unit Rates is required as a result of the policy changes, the Amendment shall so stipulate.

7.2 Administrative Fees for any subsequent Rating Periods will not exceed those proposed by Vendor in response to the RFP for _____. For rating periods thereafter will not increase by more than the lesser of Midwest Urban (All Items) CPI or 3%. The Terminal Liability Administrative Fees will not increase by more than the lesser of Midwest Urban (All Items) CPI or 3%.

7.3 In the event there is a material change in: (i) employment levels; (ii) benefits; or (iii) financial contribution by DAS during the Term of Agreement, the parties agree to negotiate in good faith within one (1) month following the occurrence, as it relates to access to the Terminal Liability. For purposes of this section, a material change is one in which there is a deviation, up or down, of at least ten percent (10%) in (i) the number of participating employees of the State of Iowa, (ii) the cost of the new or reduced benefits, or (iii) the level of financial contribution by DAS.

7.4 Renewal Rating Guidelines. Vendor will utilize the following guidelines in evaluating renewal rates for DAS's dental plans:

- a. Claims estimates will be based on incurred claims for the most recent twelve- (12-) month calendar year. These claims will be adjusted for any changes made in benefits during the experience period.
- b. The result in subsection (a) above will be multiplied by Vendor's corporate dental cost trend factor and the State of Iowa's specific utilization trend factor, for the appropriate time period, in effect at the time the calculation is made. The dental trend factor will be applied to claims for dental services by benefit type. The trend factor will adjust claims to the anticipated level of usage for the Agreement period.
- c. An estimate of incurred but not reported (IBNR) claims from the prior contract year will be determined based on actual claim lag studies of the State's current policy and coverages. Historical data will be used to compare incurred and settled claims to actual fully incurred claims to estimate the percentage of IBNR claims. This IBNR estimate establishes the terminal liability from the prior contract year and will be added to the result of Step 2, resulting in the expected claims.
- d. Expected claims are compared to the claims only portion of the Maximum Liability Unit Rates. If projected claims are lower than the original claim estimates by no more than 2%, no adjustment in the Maximum Liability Unit Rates will occur. If the projected claims are lower than the original estimates by an amount ranging from 2% to 3%, the claims only portion of the Maximum Liability Unit Rates for the next

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Rating Period will be lowered by 50% of the amount exceeding 2%. For any projected dental claims which are lower than the original estimate by more than 3%, the claims only portion of the Maximum Liability Unit Rates for the next Rating Period will be lowered by 50% of the amount between 2% to 3% and 100% of the amount exceeding 4%.

Any downward adjustment in the claims only portion for the Maximum Liability Unit Rates will trigger a proportionate downward adjustment in the claims only portion of the Terminal Liability Unit Rates. No adjustment will be made to the Administrative Fees and Terminal Liability Administrative Fees.

- 7.5 Change in Settlement of Incurred Claims and Administrative Service Fees.** The parties agree to explore the payment and settlement approach as outlined in the Desired Funding Arrangement section of the State's Request for Proposals. The State reserves the right to change the settlement and payment provisions of this Agreement to match this request in any renewal after the initial year of the Agreement.

SECTION 8. ELIGIBILITY FOR COVERAGE

- 8.1 Eligible Individuals.** A Member enrolled in the Dental Benefit Program on January 1, 2011, will be deemed to be a Member for purposes of this Agreement on the Effective Date, unless DAS notifies Vendor certain individuals are no longer eligible. During the Term of Agreement, DAS shall provide to Vendor the names of those individuals who are no longer Members as of that month and thereafter Vendor shall not settle Incurred Claims for services furnished such individuals. At any time after the Effective Date, DAS may provide additional Members to Vendor by the rating categories set out in Exhibit A. Vendor shall, from and after the effective date of enrollment established by Vendor for such Members, settle Incurred Claims with incurred dates on or after the effective date of enrollment in accordance with the terms of the applicable Benefits Summary.
- 8.2 Eligibility for New Employees.** Additional active employees entitled to benefits under the Dental Benefit Program shall be non-temporary employees who work at least twenty (20) hours per week. The first day of eligibility for additional active employees shall be the first day of the month following thirty (30) calendar days after the employee's date of hire.
- 8.3 Changes in Coverage.** Members may not change their level of dental benefits under the Dental Benefit Program, provided, however, this provision shall not apply during any open enrollment and change period mutually agreed upon and evidenced in writing between DAS and Vendor.
- 8.4 Eligibility for Dental Benefit Program.** Employees and other individuals who are eligible to become Members may enroll in the Dental Benefit Program if they: (1) apply within thirty (30) calendar days of the employee's date of hire; (2) apply during any open enrollment and change period mutually agreed upon and evidenced in writing between DAS and Vendor; or (3) are State PROMISE Program (as established by Executive Order

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Number 27, March 3, 1987) hires (and their dependents) and they enroll within thirty (30) calendar days of expiration of their Medicaid benefits, provided eligibility for State PROMISE Program hires has been approved by the applicable union.

8.5 Verification of Eligibility. Vendor shall have the right to make periodic audits, from time to time, of DAS's records to verify the reports and information as to Employee eligibility for coverage under this Agreement. Enrollment periods and the rating categories set out in Exhibit A shall be based upon criteria mutually agreed upon by the parties.

8.6 Determination of Eligibility. The determination of eligibility for DAS's plans shall be within the discretion of DAS using criteria defined the Benefits Summary.

SECTION 9. TERMINATION

9.1 Termination for cause: DAS may terminate the Agreement at any time after (15) fifteen days' written notice if Vendor fails to carry out its provisions. Notwithstanding the above statement, Vendor shall be paid promptly for services rendered up to the point of termination of the Agreement.

DAS shall provide Vendor with (15) fifteen calendar days' written notice of conditions endangering performance. If, after such notice, Vendor fails to remedy the conditions contained in the notice, DAS may do one or more of the following:

- exercise any remedy provided by law; and
- terminate the Agreement.

Vendor shall not be considered to be in default under this Agreement, nor shall monetary damages be assessed, if performance is delayed or made impossible by circumstances or causes beyond its reasonable control, including, without limitation, an act of God, flood, fire, government action, war, violence, terrorism, failure to cooperate by any third party (other than a subcontractor of Vendor), or the State, or similar events, including conditions caused by or actions taken by DAS. In each such case, the delay or impossibility must be beyond the reasonable control of Vendor. If delay results from a subcontractor's conduct, negligence or failure to perform, Vendor shall not be excused from compliance with the terms and obligations of this Agreement.

Should DAS or the State obtain a money judgment against Vendor as a result of a breach of this Agreement, Vendor consents to such judgment being offset against monies owed Vendor by DAS or the State under this or any other agreement with DAS or the State.

DAS or the State shall notify Vendor in writing of any claims for damages on or before the date DAS or the State deducts such sums from money payable to Vendor.

Should Vendor consider DAS to be in default of its obligations, Vendor shall issue a written notice of default providing for an agreed time frame in which DAS shall have an opportunity to cure, provided that the cure is possible and feasible. If after opportunity to cure, the default remains, Vendor may exercise any remedy provided by law.

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- 9.2 Termination for lack of funds:** Notwithstanding any other provisions of this Agreement, if funds anticipated for continued fulfillment of this Agreement are at any time not forthcoming or sufficient, either through the failure of the State to appropriate funds, or the discontinuance or material alteration of the program for which funds were provided, DAS shall give written notice as soon as practical documenting the lack of funding, discontinuance, or program alteration. Unless otherwise agreed to by the parties, the Agreement shall be terminated on the last day for which appropriations are available.

In no event shall DAS be liable for the payment of unemployment compensation to Vendor's employees. DAS shall not be liable for the payment of equipment purchase, lease, or rental amounts for which Vendor may be obligated nor shall DAS be liable for the payment of any other obligation of Vendor.

Notwithstanding the above, Vendor shall be paid promptly for services provided up to the point of termination of this Agreement.

- 9.3 Termination at Will:** The State may terminate the Agreement without penalty on any day by giving written notice to Vendor at least 30 calendar days prior to the termination. Notwithstanding the above, Vendor shall be paid promptly for services performed to the point of termination of this Agreement.

Vendor may terminate the Agreement without penalty on any given day by giving written notice to DAS at least one hundred eighty (180) calendar days prior to the termination.

9.4 Effects of Termination of Coverage.

- a. If a Member's coverage under the Dental Benefit Program is terminated for reasons other than fraud, misrepresentation or concealment of material facts, Vendor will not pay for any services or supplies after the date the coverage is terminated.
- b. If a Member is disenrolled from the Dental Benefit Program for fraud, misrepresentation, or concealment of material facts, Vendor: (1) will not pay for any services or supplies provided after the date of disenrollment; (2) will in any event retain, without limitation, any legal rights, including the right to initiate a civil action based on the fraud, misrepresentation or concealment, which Vendor and the Dental Benefit Program may have against the Member, or any other person; and (3) may at Vendor's option declare the Member ineligible under the Dental Benefit Plan.

9.5 Continuation of Coverage under Federal Law.

- a. The Consolidated Omnibus Reconciliation Act of 1985 (COBRA) provides that, in the event an employer employs 20 or more individuals, the employee and the employee's eligible dependents are entitled to continuation of coverage under this health care plan if coverage is lost due to one of the following qualifying events: (1) death of the employee covered under this plan; or (2) termination of employment (for other than gross misconduct) or reduction of hours of the employee to the point the employee is no longer eligible for coverage; or (3) dissolution of marriage or legal separation of the employee from the employee's spouse; or (4) the employee

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becomes eligible for Medicare; or (5) dependent child cease dependent status under this plan; or (6) the employer from whom the employee retired files bankruptcy under federal law.

- b. The employee and the employee's eligible dependents have the responsibility to notify the employer of dissolution of marriage, legal separation, or a child losing dependent status.
- c. The employee and the employee's eligible dependents will have sixty (60) days from the date coverage is lost or notification of the right to elect COBRA continuation coverage, whichever is later, to inform employer in writing that COBRA continuation coverage is desired. The maximum continuation of coverage under COBRA is eighteen (18), twenty-nine (29), or thirty-six (36) months, depending on qualifying event. The employee or the employee's eligible dependents will be responsible for paying the applicable premium for COBRA continuation coverage.
- d. If it is determined that an employee or eligible dependent is disabled under the Social Security Act at the time the individual becomes eligible for this continuation of coverage, the individual may be eligible to continue coverage for up to twenty-nine (29) months. Notice of the disability determination must be provided to the employer within sixty (60) days after the determination
- e. Family and Medical Leave Act.

This Act requires a public employer to allow an employee with twelve (12) months or more service and at least 1,250 hours of service in the last twelve (12) months, a total of twelve (12) weeks of leave during any 12-month period for the birth of a child, placement of a child with the employee for adoption or foster care, care for the spouse, child or parent of the employee if the individual has a serious health condition or because of a serious health condition, the employee is unable to perform the function of the employee's regular position.

Any employee taking a leave shall be entitled to continue the employee's benefits during the duration of the leave. The employer must continue the benefits at the level and under the conditions of coverage that would have been provided if the employee had not taken FMLA leave. However, the employer may cancel the employees' dental coverage for non-payment of employee contributions during FMLA leave. In the event the employee's dental coverage is canceled and the employee returns to work and wants dental coverage reinstated, dental coverage shall be reinstated under the same terms and conditions existing immediately prior to the termination of dental coverage. If the employee for any reason fails to return from the leave, the employer may recover from the employee that premium or portion of the premium that the employer paid, provided the employee fails to return to work for any reason other than the reoccurrence of the health condition or circumstances beyond the control of the employee.

Leave taken under the FMLA does not constitute a "qualifying event" so as to trigger COBRA rights. However, a qualifying event triggering COBRA coverage may occur when it becomes known that the employee is not returning to work. Therefore, if an

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employee does not return at the end of twelve (12) weeks of FMLA leave and terminates employment with employer, the COBRA qualifying event occurs at the time employment is terminated.

9.6 Conversion of Group Membership.

There is no Vendor Dental Plan of Iowa conversion coverage available to Members of the Dental Benefit Program.

SECTION 10. CONFIDENTIAL INFORMATION

10.1 Vendor's employees, agents and approved subcontractors may have access to private or confidential data maintained by DAS or DAS's insurance carriers to the extent necessary to carry out its responsibilities under the Agreement. Vendor must designate one individual who shall remain the responsible authority in charge of all data collected, used, or disseminated by Vendor in connection with the performance of the Agreement. Vendor shall provide adequate supervision and training to its agents, employees and subcontractors to ensure compliance with the terms of this Agreement. The private or confidential data shall remain the property of DAS at all times.

10.2 No private or confidential data collected, maintained, or used in the course of performance of the Agreement shall be disseminated by Vendor to any third party without the State's consent, except (a) as may be required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards, or in connection with litigation pertaining hereto, or (b) to the extent such information (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by Vendor in breach hereof, (ii) is disclosed by the State to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to Vendor on a nonconfidential basis from a source other than the State which Vendor believes is not prohibited from disclosing such information to Vendor by obligation to the State, (iv) is known by Vendor prior to its receipt from the State without any obligation of confidentiality with respect thereto, or (v) is developed by Vendor independently of any disclosures made by the State to Vendor of such information. Vendor must return any and all such private or confidential data collected by Vendor in the course of the performance of the Agreement in whatever form it is maintained promptly at the written request of DAS; provided, however, Vendor may keep a copy and any notes or extracts related thereto in accordance with applicable professional standards and reasonable business practices subject to the confidentiality obligations contained herein.

10.3 Vendor's obligation under this section of the Agreement shall survive termination of this Agreement.

SECTION 11. INDEMNIFICATION FOR THIRD PARTY CLAIMS

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11.1 By Vendor. Vendor agrees to indemnify, defend and hold harmless the State, its employees, and its appointed and elected officials (the “State Entities”) from any and all third party liabilities, damages, settlements, judgments, losses, claims, costs and expenses, including the reasonable value of the time spent by the Attorney General’s Office, and the costs and expenses and reasonable attorneys’ fees of other counsel required to defend the State of Iowa or DAS, related to or arising from:

11.1.1 Any breach of this Agreement; or

11.1.2 Any negligent or wrongful act or omission of Vendor or any agent or subcontractor utilized or employed by Vendor; or

11.1.3 Any failure by Vendor to comply with Section 15.4 below (Compliance with the Law); or

11.1.4 Any failure by Vendor to make all reports, payments, and withholdings required by federal and state law with respect to social security, employee income, and other taxes, fees, or costs required by Vendor to conduct business in the State of Iowa; or

11.1.5 Any infringement of any copyright, trademark, patent, trade dress, or other intellectual property right; or

11.1.6 Any failure by Vendor to adhere to the confidentiality provisions of this Agreement.

11.2 Indemnification by DAS

11.2.1 DAS shall, only to the extent consistent with Article VII, Section 1 of the Iowa Constitution and Iowa Code Chapter 669, indemnify and hold harmless Vendor and its directors, officers, employees, agents and assignees from and against any and all costs, expenses, losses, claims, damages, and liabilities arising directly out of the negligence or wrongful acts or omissions of any employee of DAS while acting within the scope of the employee’s office of employment in connection with the performance of this Agreement.

11.2.2 At the option of DAS, Vendor shall be represented by the Attorney General of the State or special counsel retained by the State or the Attorney General of the State with respect to any litigation brought by or against DAS or such persons with respect to any claims, damages, judgments, liabilities, or causes of action to which such persons may be subject and to which they are entitled to be indemnified hereunder.

11.2.3 If DAS makes any indemnity payments pursuant to this Section and the person to or on behalf of whom such payments are made thereafter collects any of such amounts from others, that person shall promptly repay the portion of such amounts collected from others to DAS, without interest.

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- 11.3 Survival.** Indemnification obligation of the parties shall survive termination of this Agreement.

SECTION 12. PROJECT MANAGEMENT AND REPORTING

- 12.1 Project Manager.** At the time of execution of this Agreement, each party shall designate, in writing, a Project Manager to serve until the expiration of this Agreement or the designation of a substitute Project Manager.

- 12.2 Reports.** If any party has identified a problem in writing, the party responsible for resolving the problem shall provide a report setting forth activities undertaken, or to be undertaken, to resolve the problem, together with the anticipated completion dates of such activities. Any party may recommend alternative courses of action or changes that will facilitate problem resolution. For as long as a problem remains unresolved, written reports shall identify:

12.2.1 Any event not within the control of Vendor or DAS that accounts for the problem;

12.2.2 Modifications to the Agreement agreed to by the parties in order to remedy or solve the identified problem;

12.2.3 Damages incurred as a result of any party's failure to perform its obligations under this Agreement; and

12.2.4 Any request or demand for services by one party that another party believes are not included within the terms of this Agreement.

- 12.3 Problem Reporting Omissions.** Either party's acceptance of a problem report shall not relieve the other party of any obligation under this Agreement or waive any other remedy under this Agreement or at law or equity that other party may have. A party's failure to identify the extent of a problem or the extent of damages incurred as a result of a problem shall not act as a waiver of performance under this Agreement. Where other provisions of this Agreement require notification of an event in writing, the written report shall be considered a valid notice or amendment for this Agreement provided the parties required to receive notice are notified and any amendment is executed by the parties in conformance with the Section of this Agreement relating to amendments.

- 12.4 Change Order Procedure.** DAS may at any time request a modification to the Scope of Services using a Change Order. The following procedures for a change order shall be followed:

12.4.1 Written Request. DAS shall specify in writing (the "Change Order Request") the desired modifications to the same degree of specificity as in the original Scope of Services.

12.4.2 Vendor's Response. Vendor shall submit to DAS a time and cost estimate for the requested Change Order, if it agrees to perform such modified Scope of

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Services, or a written notice declining to agree to such Change Order within five (5) business days of receiving the Change Order Request.

12.4.3 Acceptance of Vendor Estimate. If DAS accepts the estimate presented by Vendor within five (5) business days of receiving Vendor's response, Vendor shall perform the modified services subject to the time and cost estimates included in Vendor response. The performance of modified services by Vendor shall be governed by the terms and conditions of this Agreement.

12.4.4 Adjustment to Compensation. The parties acknowledge that a Change Order for this Agreement may or may not entitle Vendor to an equitable adjustment in Vendor's compensation or the performance deadlines under this Agreement.

SECTION 13. LIMITATION OF LIABILITY BETWEEN THE PARTIES

13.1 Vendor expressly acknowledges that the State's benefit offerings are subject to legislative change by either the federal or state government. Should either legislative body enact measures that alter the benefit offerings, Vendor shall not hold DAS liable in any manner for the resulting changes. DAS shall use best efforts to provide at least thirty (30) days' written notice to Vendor prior to the effective date of any legislative change. During the notice period, the parties shall meet and make a good faith effort to agree upon changes to the Agreement to address the legislative change. Nothing in this Subsection shall affect or impair DAS's right to terminate the Agreement pursuant to the termination provisions.

13.2 The State agrees that Vendor and its personnel shall not be liable to the State for any claims, liabilities, or expenses relating to this engagement, excluding any third party liability under Section 9 herein, for an aggregate amount in excess of three times the administrative fees paid by the State to Vendor pursuant to this Agreement, except that this aggregate limit shall not apply to court-awarded compensatory damages finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of Vendor. Except as required under Section 11, Vendor or its personnel shall not be liable to the State for punitive or exemplary damages relating to this Agreement.

SECTION 14. WARRANTIES AND REPRESENTATIONS

14.1 Vendor represents and warrants that all the concepts, materials and Deliverables produced, or provided to DAS pursuant to the terms of this Agreement, shall be wholly original with Vendor or that Vendor has secured all applicable interests, rights, licenses, permits or other intellectual property rights in such concepts, materials and Deliverables.

14.2 Vendor represents and warrants that the concepts, materials and the Deliverables and DAS's use of same and the exercise by DAS of the rights granted by this Agreement shall not infringe upon any other work, other than material provided by the Agreement to Vendor to be used as a basis for such materials, or violate the rights of publicity or privacy of, or constitute a libel or slander against, any person, firm or corporation and

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- that the concepts, materials and works will not infringe upon the copyright, trademark, trade name, literary, dramatic, statutory, common law or any other rights of any person, firm or corporation or other entity.
- 14.3** Vendor represents and warrants that it shall perform all of the services hereunder in good faith and will use sound, professional practices in a competent and professional manner by knowledgeable, trained and qualified personnel.
- 14.4** Vendor represents and warrants that it has full authority to enter into this Agreement and that it has not granted and will not grant any right or interest to any person or entity.
- 14.5** DAS will not have any obligations with respect to Vendor's contractual obligations to its contractors and subcontractors unless otherwise agreed to by DAS.
- 14.6** Vendor represents and warrants that it is the owner of or otherwise has the right to use and distribute the software, the materials owned by Vendor, and any other materials, Deliverables, and methodologies used in connection with providing the services contemplated by this Agreement.
- 14.6** Vendor represents and warrants that title to any property assigned, conveyed, or licensed to DAS is good and that transfer of title or license to DAS is rightful and that all property shall be delivered free of any security interest or other lien or encumbrance.
- 14.7** Vendor warrants that no person or selling agency has been employed or retained to solicit and secure this Agreement upon an agreement of understanding of commission, percentage, brokerage or contingency fee except bona fide employees maintained by Vendor for the purpose of securing business. For breach or violation of this warranty, the State shall have the right to award this Agreement without liability, or in its discretion, to deduct from the contract price or to otherwise recover, the full amount of such commission, percentage, brokerage or contingency.
- 14.9** Vendor warrants that the prices in its Proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any competitor. No attempt has been made by Vendor to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

SECTION 15. CONTRACT ADMINISTRATION

- 15.1 Independent Contractor.** The status of Vendor shall be that of an independent contractor. Vendor, its employees, agents and any subcontractors performing under this Agreement are not employees or agents of the State of Iowa or any agency, division, or department of the State. Neither Vendor nor its employees shall be considered employees of DAS or the State of Iowa for federal or state tax purposes. DAS will not withhold taxes on behalf of Vendor (unless required by law).
- 15.2 Incorporation of Documents.** Along with this document, the RFP, and amendments and written responses to bidders' questions (collectively RFP) and Vendor's Proposal

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submitted in response to the RFP, form the Agreement between Vendor and the DAS and are incorporated herein by reference.

- 15.3 Order of Priority.** In the event of a conflict between the Agreement, the RFP and the Proposal, the conflict shall be resolved according to the following priority, ranked in descending order: (1) the Agreement; (2) the RFP; (3) the Proposal.
- 15.4 Compliance with the Law.** Vendor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, and orders when performing the services under this Agreement, including without limitation, all laws applicable to the prevention of discrimination in employment and the mandatory, if any, use of targeted small businesses as subcontractors or suppliers. Vendor, its employees, agents, and subcontractors shall also comply with all federal, state, and local laws regarding business permits and licenses that may be required to carry out the work performed under this Agreement. DAS shall provide notice to Vendor of potential violations of this subsection 14.4 should DAS become aware of such potential violations.
- 15.5 Amendments.** This Agreement may be amended in writing from time to time by mutual consent of the parties. All amendments to this Agreement must be in writing and fully executed by the parties.
- 15.6 Third Party Beneficiaries.** There are no third party beneficiaries to this Agreement. This Agreement is intended only to benefit the State, DAS, and Vendor.
- 15.7 Choice of Law and Forum.** The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Agreement without regard to the choice of law provisions of Iowa law. In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Agreement, the exclusive jurisdiction for the proceeding shall be brought in Polk County District Court for the State of Iowa, Des Moines, Iowa. This provision shall not be construed as waiving any immunity to suit or liability including without limitation sovereign immunity in State or Federal court, which may be available to the DAS or the State of Iowa.
- 15.8 Assignment.** Neither party may assign the Agreement in whole or in part or any payment arising from the Agreement without the other party's prior written consent and subject to such reasonable conditions and provisions, as such party may deem necessary; provided, however, that Vendor may so assign to an affiliate, related entity or successor in interest to all or substantially all of the assets or business of Vendor.
- 15.9 Use of Third Parties.** DAS acknowledges that Vendor may contract with third parties for the performance of any of Vendor's obligations under this Agreement. All subcontractors shall be subject to prior approval by DAS. Vendor may enter into these contracts provided that Vendor remains responsible for all services performed under this Agreement. All restrictions, obligations, and responsibilities of Vendor under this Agreement shall also apply to the subcontractors. DAS shall have the right to request the removal of a subcontractor from providing services to the Dental Benefit Program for good cause.

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- 15.10 Integration.** This Agreement represents the entire Agreement between the parties. The parties shall not rely on any representations, or other statements or warranties that may have been made, which are not included in this Agreement.
- 15.11 Headings or Captions.** The paragraph headings or captions used in this Agreement are for identification purposes only and do not limit or construe the contents of the paragraphs.
- 15.12 Not a Joint Venture.** Nothing in this Agreement shall be construed as creating or constituting the relationship of a partnership, fiduciary relationship, joint venture, or other association of any kind of agent and principal relationship between the parties hereto. Each party shall be deemed to be an independent contractor contracting for services. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Agreement.
- 15.13 Joint and Several Liability.** If Vendor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this Agreement, and for any default of activities and obligations.
- 15.14 Supersedes Former Contracts or Agreements.** This Agreement supersedes all prior contracts or agreements between DAS and Vendor for the services described in this Agreement.
- 15.15 Waiver.** Except as specifically provided for in a waiver signed by duly authorized representatives of DAS and Vendor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Agreement shall not be construed as affecting any subsequent right to require performance or to claim a breach.
- 15.16 Notice**
- 15.16.1** Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party as set forth as follows:

If to DAS:

Iowa Department of Administrative Services – HRE
Attn: Mr. Edward Holland
Hoover State Office Building
1305 East Walnut Street
Des Moines, Iowa 50319-0150

If to Vendor:

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Vendor Information TBD

15.16.2 Each such notice shall be deemed to have been provided the earlier of:

15.16.2.1 At the time it is actually received; or,

15.16.2.2 Within one (1) business day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day of delivery; or,

15.16.2.3 Within five (5) business days after it is deposited in the U.S. Mail in the case of registered U.S. Mail as described above.

15.16.3 From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

15.17 Cumulative Rights. Except as specifically provided for herein, the various rights, powers, options, elections and remedies of any party provided in this Agreement, shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

15.18 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Agreement.

15.19 Time is of the Essence. Time is of the essence with respect to the performance of the terms of this Agreement.

15.20 Authorization. Each party to this Agreement represents and warrants to the other parties that:

15.20.1 It has the right, power, and authority to enter into and perform its obligations under this Agreement.

15.20.2 It has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery, and performance of this Agreement, and this Agreement constitutes a legal, valid, and binding obligation upon itself in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general principals of equity.

15.21 Successors in Interest. All the terms, provisions, and conditions of the Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

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15.22 Audit and Examination of Records. Vendor agrees that the personnel of the State and the Auditor of the State of Iowa or any authorized representative of the State, and where federal funds are involved, the Comptroller General of the United States or any other representative of the United States Government, shall have access to, and the right to examine, upon reasonable prior notice and during Vendor's normal business hours at Vendor's place of business, audit, excerpt and photocopy any directly pertinent daily time records and receipts for expenses (for items in excess of \$25) billed to DAS and any books, documents, papers, and records of the vendor necessary to verify accurate invoices or payments of this Agreement. All daily time records relating to this Contract shall be retained for one (1) year following the date of final invoice or completion of any audit in progress, whichever is earlier. All invoices shall be retained for five (5) years following the date of final payment or completion of any audit in progress, whichever is later.

Compliance with this clause does not relieve Vendor from retaining any records required by other laws or regulations of federal, state or local governmental units. Vendor will not be eligible for additional payments from the State, for expenses incurred, to comply with the State's audit requirements set forth in this Section.

15.23 DAS's Audit.

- a. DAS or its authorized representative may examine or audit Vendor's records reasonably related to the services to be provided under this Agreement. Such examination shall be conducted during regular business hours, upon reasonable advance written notice, and shall be limited to a reasonable duration. A preliminary meeting may be held to discuss staffing assistance and the scope of the audit. The examination period may only cover the current Rating Period and the two previous years. Upon completion of the examination, DAS shall share its examination findings with Vendor and conduct an exit conference with Vendor.
- b. DAS will select the independent audit firm used to conduct the audit, although Vendor may provide input into the selection of the audit firm. All expenses in connection with the audit shall be at DAS's expense.
- c. It is agreed that disclosure of any information of data by Vendor under this section has been made in reliance upon DAS's representation that such information shall be used by it for the sole and exclusive purpose of examining or auditing information related to the administration of the Dental Benefit Program or Vendor's performance under this Agreement. All information disclosed shall be deemed to be proprietary and confidential to Vendor and such information shall not be disclosed or otherwise made available to any person or organization not directly involved in the examination or audit. Vendor and DAS shall implement whatever reasonable safeguards are necessary to ensure that all such information remains confidential. Any conclusions reached regarding the audit are the responsibility of DAS. DAS and its audit contractor will execute a nondisclosure agreement prior to commencement of any audits.

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- 15.24 Solicitation.** Vendor warrants that no person or selling agency has been employed or retained to solicit and secure this Agreement upon a contract or understanding for commission, percentage, brokerage or contingency excepting bona fide employees or selling agents maintained for the purpose of securing business.
- 15.25 Obligations Beyond Contract Term.** This Agreement shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to this Agreement. All obligations of DAS and Vendor incurred or existing under this Agreement as of the date of expiration, termination or cancellation will survive the termination, expiration or conclusion of this Agreement.
- 15.26 Counterparts.** The parties agree that this Agreement has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument.
- 15.27 Additional Provisions.** The parties agree that if an Addendum, Rider or Exhibit is attached hereto by written agreement of the parties, and/or referred to herein, the same shall be deemed incorporated herein by reference.
- 15.28 Insurance Requirements.** Vendor shall maintain adequate insurance to fulfill its duties under this Agreement, including the duty to indemnify the State and DAS pursuant to Section 9 above.

SECTION 16. RESOLUTION OF DISPUTES

- 16.1 Appeal of Claims Denial.** Except where indicated otherwise in this Agreement, Members may file an appeal related to any denied benefits with Vendor. Appeals will be reviewed and a written decision mailed to the Member within thirty (30) days of Vendor's receipt of the appeal, unless special circumstances require a longer review period. If a longer review period is required, Vendor will notify the Member of this fact in writing by the end of the initial thirty (30) day period. In no event will the total review time exceed ninety (90) days from the date of Vendor's receipt of the appeal. This appeal process will precede any appeal to **DAS** for the same denied benefits. Vendor will provide **DAS**, on request, with a detailed analysis of the issues related to any claims denial appeal filed by a Member with the **DAS**.

16.2 Dispute Regarding Dental Necessity.

If there is a dispute whether services furnished are dentally necessary, as that term is defined in the Benefits Summary, a dental review will be conducted. The dental provider may join in the review.

16.3 Dispute Regarding Charges.

- a. In the event of a dispute as to the amount of a participating dentist's charge to a Member for the provision of services covered under the Dental Benefit Program, and if suit is brought by a participating dentist or by a licensed provider who has a contract with Vendor, to collect the charge from the Member, Vendor will, on prompt written demand, as required by subparagraph b, provide the Member, without charge,

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a defense of such suit and assume the liability, if any, which a court determines is due from the Member to the dentist solely by reason of the charge. The liability so assumed does not include any part of the total charge that was due to an intentional disregard by the Member of the instructions of a dentist in the course of diagnosis or treatment. The liability does not include any amounts owed for deductible or coinsurance.

- b. Vendor shall not be obligated to provide such defense or to assume such liability if the Member does not give Vendor written notice of the suit within twenty (20) days after the Member receives notice of the suit. Upon receipt of timely written notice from the Member, Vendor will, within ten (10) days, determine whether they are obligated to defend the suit, and if they are so obligated, enter its appearance and file necessary pleadings. In a suit of this kind, a Member is required by law to file an appearance with the court within a period of time stated in the notice of the suit given to the Member, or a default will be entered and a judgment for the amount claimed may be entered against the Member. If written notice of the suit is not received by Vendor in time to file an appearance on behalf of the Member, its shall be the responsibility of the Member to ensure that an appearance is properly and timely filed.
- c. Notice under this section shall be addressed to Legal Department, Vendor Information
TBD

SECTION 17. EXECUTION

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other goods and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Agreement and have caused their duly authorized representatives to execute this Agreement.

State of Iowa

Date

Date

By:

By:

ATTACHMENT 3 – PROPOSAL CERTIFICATION

Date

Iowa Department of Administrative Services – HRE
Attn: Mr. Edward Holland
Hoover State Office Building
1305 East Walnut Street
Des Moines, Iowa 50319-0150

**RE: Request for Proposals – Dental Benefits Program (005-SOI-D)
-PROPOSAL CERTIFICATION-**

Mr. Holland:

I certify that the contents of the proposal submitted on behalf of _____
(Name of Bidder) in response to the State of Iowa Request for Proposals – Dental Benefits
Program, are true and accurate. I also certify that _____(Name of Bidder)
has not made any knowingly false statements in this proposal.

Sincerely,

Name

Date

Title

**ATTACHMENT 4 – CERTIFICATION OF INDEPENDENCE AND NO
CONFLICT OF INTEREST**

Date

Iowa Department of Administrative Services – HRE
Attn: Mr. Edward Holland
Hoover State Office Building
1305 East Walnut Street
Des Moines, Iowa 50319-0150

**RE: Request for Proposals – Dental Benefits Program (005-SOI-D)
- CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF
INTEREST -**

Mr. Holland:

By submitting a proposal in response to the State of Iowa Request for Proposals – Dental Benefits Program, the undersigned certifies the following:

- 1 The proposal has been developed independently, without consultation, communication or agreement with any employee or consultant to the State who has worked on the development of this RFP, or with any person serving as a member of the evaluation committee.
- 2 The proposal has been developed independently, without consultation, communication or agreement with any other bidder or parties for the purpose of restricting competition.
- 3 Unless otherwise required by law the information found in this proposal has not been knowingly disclosed and will not be knowingly disclosed prior to the award of the contract, directly or indirectly to any other bidder.
- 4 No attempt has been made or will be made by _____(Name of Bidder) to induce any other bidder to submit or not submit a proposal for the purpose of restricting competition.
- 5 No relationship exists or will exist during the contract period between (Name of Bidder) _____ and the State of Iowa that interferes with fair competition or that would create a conflict of interest.

Sincerely,

Name

Date

Title

**ATTACHMENT 5 – CERTIFICATION REGARDING DEBARMENT,
SUSPENSION, INELIGIBILITY, AND VOLUNTARY
EXCLUSION**

Date

Iowa Department of Administrative Services – HRE
Attn: Mr. Edward Holland
Hoover State Office Building
1305 East Walnut Street
Des Moines, Iowa 50319-0150

**RE: Request for Proposals – Dental Benefits Program (005-SOI-D)
- CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
INELIGIBILITY, AND VOLUNTARY EXCLUSION -**

Mr. Holland:

By submitting a proposal in response to the State of Iowa Request for Proposals – Dental Benefits Program, the undersigned certifies the following:

1. I certify that to the best of my knowledge, _____(Name of Bidder) and its principals: (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transaction by a Federal department or agency; (b) have not within a three year period preceding this proposal been convicted of, or had a civil judgment rendered against them for the commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of antitrust statutes or commission of embezzlement, theft, forgery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are not presently indicted for other criminally or civilly charge by a government entity (federal, state, or local) with the commission of any of these offenses enumerated in (b) of this certification; and (d) have not within a three year period preceding this proposal had one or more public transactions (federal, state, or local) terminated for cause.
2. This certification is a material representation of fact upon which the State of Iowa has relied when this transaction was entered into. If it is later determined that the undersigned knowingly rendered an erroneous certification, in addition to other remedies available, the State may pursue available remedies including suspension, debarment, or termination of the contract.

Sincerely,

Name

Date

Title

ATTACHMENT 6 – AUTHORIZATION TO RELEASE INFORMATION

Date

Iowa Department of Administrative Services – HRE
Attn: Mr. Edward Holland
Hoover State Office Building
1305 East Walnut Street
Des Moines, Iowa 50319-0150

**RE: Request for Proposals – Dental Benefits Program (005-SOI-D)
- AUTHORIZATION TO RELEASE INFORMATION -**

Mr. Holland:

The undersigned hereby authorizes the State of Iowa to obtain information regarding its performance on other contracts, agreements or other business arrangements, its business reputation, and any other matters pertinent to the evaluation and selection of a successful bidder in response to Request for Proposals – Dental Benefits Program.

The undersigned hereby releases, acquits, and forever discharges the State of Iowa, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the State in the evaluation and selection of a successful bidder in response to Request for Proposals – Dental Benefits Program.

The undersigned hereby authorizes representatives of the State to contact any and all of the persons, entities, and references that are, directly or indirectly, listed, submitted, or referenced in the undersigned proposal submitted in response to Request for Proposals – Dental Benefits Program.

The undersigned further authorizes any and all persons or entities to provide information, data, and opinions with regard to the undersigned's performance under any contract, agreement, or other business arrangement, the undersigned's ability to perform, the undersigned's business reputation, and any other matter pertinent to the evaluation of the undersigned. The undersigned hereby releases, acquits, and forever discharges any such person or entity, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the State in the evaluation and selection of a successful bidder in response to Request for Proposals – Dental Benefits Program.

A photocopy or facsimile of this signed Authorization is as valid as an original.

Sincerely,

Name

Date

Title

ATTACHMENT 7 – DENTAL CLAIMS INFORMATION

State of Iowa Dental Claims Information



SOI Incurred Claims
summary Jan 2008 - I

ATTACHMENT 8 – STATE OF IOWA – TOP PROVIDERS REPORT

State of Iowa – Top Providers



SOI top 50 dentists
and top 25 clinics for

ATTACHMENT 9 – DENTAL PLAN BOOKLETS

http://benefits.iowa.gov/benefit_documents/dental_certificate.pdf

ATTACHMENT 10 – CENSUS INFORMATION



SOI Census 3
2010.xls

SAMPLE – NOT TO BE COMPLETED FOR RFP**TABLE 1****CONTRACT MIX AND CONTRACT SIZE**

Show your calculation of contract mix and average contract size in the space provided below. The following is an example of a calculation averaging the total member months and contract months for the rating period. Your plan may choose to use this method or another method that may be more appropriate:

EXAMPLE FORMAT OF CALCULATION:

		Single		Family		Total
Member Months	A.	<u> </u>	B.	<u> </u>	C.	<u>(A. + B.)</u>
Contract Months	D.	<u> </u>	E.	<u> </u>	F.	<u>(D. + E.)</u>
Contract Size	G.	<u>(A. / D.) = 1.0</u>	H.	<u>(B. / E.)</u>	I.	<u>(C. / F.)</u>
Contract Mix	J.	<u>(D. / F.)</u>	K.	<u>(E. / F.)</u>	L.	<u>100%</u>

CALCULATION OF CONTRACT MIX AND AVERAGE CONTRACT SIZE:
(Show calculation)

		Single		Family		Total
Average Contract Size	1.	<u>1.0</u>	2.	<u> </u>	3.	<u> </u>
Contract Mix	4.	<u> </u>	5.	<u> </u>	6.	<u>100%</u>

TABLE 2

ENROLLMENT AND MEMBER MONTHS BY AGE AND SEX

Age Category	December 200X Member Counts		
	Male	Female	Total
Under 1			
1 - 4			
5 - 14			
15 - 17			
18 - 24			
25 - 34			
35 - 44			
45 - 54			
55 - 64			
65 - 74			
75+			
Total			

Average Age			
-------------	--	--	--

Total Metro			
Total Non-metro			

Age Category	Calendar Year 200X Member Months
Under 1	
1 - 4	
5 - 14	
15 - 17	
18 - 24	
25 - 34	
35 - 44	
45 - 54	
55 - 64	
65 - 74	
75+	
Total	

ATTACHMENT 11 – RENEWAL TEMPLATE

TABLE 3**JANUARY 1, 200X THROUGH DECEMBER 31, 200X INCURRED CLAIMS EXPERIENCE**

Type of Service	Annual Units/1,000	Cost per Unit	Cost PMPM	% of Total
In-Network				
Diagnostic				
Preventive				
Restorative				
Crowns				
Endodontics				
Periodontics				
Prosthodontics				
Oral Surgery				
Orthodontia				
Sub-Total				
Out of Network				
Diagnostic				
Preventive				
Restorative				
Crowns				
Endodontics				
Periodontics				
Prosthodontics				
Oral Surgery				
Orthodontia				
Sub-Total				
Total Network				
Diagnostic				
Preventive				
Restorative				
Crowns				
Endodontics				
Periodontics				
Prosthodontics				
Oral Surgery				
Orthodontia				
Grand Total				

ATTACHMENT 11 – RENEWAL TEMPLATE

TABLE 4

TREND ASSUMPTIONS
Trend periods to be used in calculations

Experience Period: January 1, 200X to December 31, 200X
 Rating Period: January 1, 200x to December 31, 200X
 Midpoint of Experience Period: July 1, 200X
 Midpoint of Rating Period: July 1, 200X

Step 1. Calculate Weighted Trend

Weighted trend for 7/1/0X -- 6/30/0X

Category	Trends			% of Total see Table 3	Weighted Trend
	Cost	Utilization	Combined		
Diagnostic					
Preventive					
Restorative					
Crowns					
Endodontics					
Periodontics					
Prosthodontics					
Oral Surgery					
Outpatient Surgery					
Orthodontia					
Other					
Total				100%	1. <input type="text"/>

Weighted trend for 7/1/0X -- 6/30/0X

Category	Trends			% of Total see Table 3	Weighted Trend
	Cost	Utilization	Combined		
Diagnostic					
Preventive					
Restorative					
Crowns					
Endodontics					
Periodontics					
Prosthodontics					
Oral Surgery					
Outpatient Surgery					
Orthodontia					
Other					
Total				100%	2. <input type="text"/>

Step 2. Calculate Aggregate Trend Factor

Weighted Trend 7/1/0X -- 6/30/0X

3. 1 + (line 1 above)

Weighted Trend 7/1/0X -- 6/30/0X

4. 1 + (line 2 above)

Aggregate Trend Factor

5. (3 x 4)

Step 3.

Describe any special circumstances which may have caused the trends to be unusually high or low.

TABLE 4A

Proposed Changes to Provider Fee Schedules for 200X

Proposed 200X % Changes to Provider Fee Schedules	
Provider Type	Network
Metro General Practitioner	
Non-metro General Practitioner	
Metro Specialists	
Non-metro Specialists	

ATTACHMENT 11 – RENEWAL TEMPLATE

TABLE 5**CONTRACT CHANGES FROM 200X TO 200X**

200X Contract Language	200X Approved Contract Language Change	PMPM Change in Actuarial Value
Untrended Total		
Trended Total		

ATTACHMENT 11 – RENEWAL TEMPLATE

TABLE 6A -- DENTAL**200X PROPOSED CONTRACT CHANGES WITH AN ACTUARIAL IMPACT**

	200X Contract Language	200X Proposed Contract Language	Carrier's Rationale for Change	PMPM Change in Actuarial Value
#1				
#2				
#3				
TOTAL				

ATTACHMENT 11 – RENEWAL TEMPLATE

TABLE 6B -- DENTAL

200X PROPOSED CONTRACT CHANGES WITHOUT AN ACTUARIAL IMPACT

	200X Contract Language	200X Proposed Contract Language	Carrier's Rationale for Change
#1			
#2			
#3			

TABLE 7

ADMINISTRATIVE EXPENSES BY MAJOR CATEGORY

Category	200X PMPM Actual	200X PMPM Per 200X Rate Renewal	200X PMPM Estimated
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
Total			

Description of each administrative expense category listed above (attach additional sheets as necessary):

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.

TABLE 8
OTHER PMPM COSTS

Category	200X PMPM Actual	200X PMPM Per 200X Rate Renewal	200X PMPM Estimated
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
Total			

Description of each other PMPM cost listed above (attach additional sheets as necessary):

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.

TABLE 9**REQUIRED PREMIUM PMPM**

Description	Cost PMPM
PMPM claims cost for experience period (Grand Total -- TABLE 3)	1. _____
Aggregate trend factor (line 5 -- TABLE 4)	2. _____
Claims costs trended to rating period	3. <div>(1 x 2)</div>
Actuarial value of 200X contract changes (Total -- TABLE 5)	4. _____
Actuarial value of proposed 200X contract changes (Total -- TABLE 6A)	5. _____
Estimated claims cost for rating period	6. <div>(3 + 4 + 5)</div>
Administrative costs PMPM (Total – TABLE 7)	7. <div></div>
Other PMPM costs (Total – TABLE 8)	8. _____
Required premium PMPM	9. <div>(6 + 7 + 8)</div>

TABLE 10**200X CALCULATED AND PROPOSED RATES****Step 1.****Conversion Factor Calculation**

	Contract Mix	Average Contract Size	Rate Ratio	Conversion Factor
Employee	1. (line 4 TABLE 1)	4. 1.0	7. 1.0	10. (6 / 9)
Family	2. (line 5 TABLE 1)	5. (line 2 TABLE 1)	8.	11. (10 x 8)
Total	3. 100%	6. (line 3 TABLE 1)	9. (1 x 7) + (2 x 8)	

Step 2.**200X Rate Calculation**

	Employee	Family
Required Premium PMPM	12. (line 9 TABLE 9)	15. (line 9 TABLE 9)
Conversion Factor	13. (Line 10 above)	16. (Line 11 above)
200X Calculated Rates	14. (12 x 13)	17. (15 x 16)

Step 3.**200X Proposed Rates versus 200X Rates**

	Employee	Family	Dependent
200X Calculated Rates	18. (Line 14 above)	19. (Line 17 above)	20. (19 - 18)
200X Proposed Rates	21. (*)	22. (*)	23. (22 - 21)
200X Rates	24.	25.	26.
Percent Change	27.	28.	29.

*Fill in either the calculated rates or the rates your plan is proposing. If the proposed rates are different than the calculated rates please provide a detailed development of the adjustment that is applied to the calculated rate (i.e. the rate from TABLE 8) to derive the proposed rate.